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**The Changing Basis of State Support for Housing Associations**

A Theoretical and Empirical Analysis

Glenn Paul Back M.Sc.

Thesis Submitted for the Degree of Doctor of Philosophy  
(Geography Discipline)

The Open University  
(Urban and Regional Research Group)

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## Abstract

In contrast to theories which explain social reforms in terms of the power of individuals, structuralism focuses upon the role of the state in capitalist society. The state is seen as purposive-rational, acting economically, to ensure the continued accumulation of capital, and/or politically, to ensure the hegemony of the bourgeoisie. According to this view all power resides within social structures, outside of the influence of working people, even as a class. Thus state intervention in housing is presented as a deliberate strategy to incorporate and thereby defuse working class pressure, with the intention of cementing existing economic relations. Recent modifications to this radical perspective have suggested that classes do have power, and that political and ideological struggle can be constituted relatively autonomously from economic relations.

The recent growth of state support for housing associations provides an opportunity to reevaluate these differing views of state intervention. Is state support for housing associations best explained in economic, political or ideological terms? The economic basis of housing association provision is not substantially different from local authority provision. Provision through associations is not cheaper than provision through local authorities, and both rely upon the private sector for house building. In addition, there has been no discernable working class pressure for alternative tenure forms in this country since the commencement of the municipal programme. Rather, an analysis of political debates on legislation relevant to housing associations demonstrates that support is dependent upon the ideological attitudes of central government towards the relative desirability of private or public sector provision. This has led to sharp party political differences in the tasks that associations have been encouraged to perform. These policy shifts have encouraged the association movement to develop a wide diversity of organisational forms which renders central government control of the movement problematical, and leads to wide variations in the relationship between local authorities and housing associations. The association movement thus has no clearly defined role, which leads it to house people who are, on many social indicators, mid-way between owners and public tenants.

These findings suggest that an economically functionalist view of state intervention is incapable of explaining recent support for the housing association movement. Rather, the policy seems more consistent with a relative autonomy view of state intervention in which policies can pursue political and ideological strategies. Until government policies are related to crucial issues of housing production and consumption, and are as purposive-rational as radical writers would have us believe, associations are likely to suffer considerable uncertainty as a result of ad hoc policy formation which leaves them in search of a distinctive role.

This work is dedicated to my father,  
who died from lung cancer less than  
one year ago. It is difficult for me  
to imagine a more debilitating and  
humiliating way to die.

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## 1. INTRODUCTION

### 1.1 Thesis Objectives

In 1961 a Conservative Government introduced legislation extending the scope of housing association activity, by creating an exchequer fund to promote the provision of additional rented accommodation. Only two decades have passed since then, yet the current Conservative Government is encouraging association tenants to buy their properties. This dramatic reversal of attitude by the Conservative Party in the Commons has left Conservative Peers defending the notion that the provision of rented accommodation is the principal purpose of housing associations. This divergence of attitudes between the Party in the Commons and the Lords has led the Lords to repeatedly reject clauses in government legislation relating to housing associations. Conservative Peers have joined an alliance of Opposition Peers, and have struck out several clauses of the Housing and Building Control Bill which would have had the effect of extending the right to buy to charitable associations. Whilst the Conservative Party has a majority of nearly 150 in the Commons, the Lords has repeatedly rejected government legislation with majorities approaching 100.

The troubled history of the Housing and Building Control Bill illustrates the existence of a variety of attitudes towards the role of housing associations, and raises crucial questions about the nature of state support for the movement. First, why did the Conservative Government increase its support for associations in 1961? Was it to ensure the provision of housing for particular groups of people, or were associations perceived to have some organisational advantage over local authorities? Was provision by associations intended to compensate for the decline of privately rented accommodation, or to provide a competitor to local authority housing departments? Secondly, if the Conservative Government

encouraged associations to provide rented accommodation in 1961, why has the current Conservative Government switched its emphasis to encouraging ownership? Thirdly, what has been the reaction of the Labour Party to these initiatives, and why have Conservative Peers opposed Conservative Ministers on the recent legislation? This thesis seeks to answer these questions, and in doing so, to provide a re-evaluation of the rationale of state housing policy in general, through an examination of state policies towards housing associations.

In order to understand why these changes in association activity have been promoted, it is necessary first to reconsider the reasons for the introduction of state subsidies in 1919. There are several competing explanations available. State housing can be seen as a politically neutral attempt to improve the living conditions of the working class. Alternatively, the provision of state housing can be perceived as an attempt to protect the operation of the capitalist system of production by granting material concessions to an organised working class. Another explanation is that state activity is primarily influenced by political forces rather than economic requirements. This would suggest that the reason for the introduction of state housing was mainly the ideological attitudes that it promulgated. The last two explanations are similar, but vary in the importance attached to economic requirements and political and ideological pressures. The former holds support of the economic system to be the primary function of state activity, whilst the latter suggests that securing political hegemony is the primary function of the state.

The recent growth of housing association provision, and the wealth of contemporary legislation and political debate on the movement allows a re-evaluation of theories of state housing policy. To date most academic studies have been primarily concerned with the introduction of subsidised state housing in the early twentieth century. Duncan (1981) has pointed out that many of these studies adopt an economically functionalist model of the state. This approach suggests that all state policy is determined by the need to promote capital accumulation, and that the state manipulates social policy, and social classes, to achieve this end. Alternatively, writers such as Byrne and Damer (1980) incorporate a theory of the relative autonomy of the state, and argue that legislation reflects

the balance of class forces. This suggests that short term economic goals may become subordinate to the need to protect political stability. Support for accumulation remains the long term goal of the state, but the autonomy of politics and economics permits the state to adopt political strategies to secure the long term domination of private accumulation processes. Until recently, few authors have considered the ideological and political significance of housing policy. Swenarton (1981) has described the introduction of municipal subsidies as an ideological strategy intended to promote the concept of the benign welfare state, capable of fulfilling the aspirations of the working class. In this approach, the dissemination of ideological attitudes supportive of the existing economic or social structure becomes the primary purpose of state intervention, at times relegating economic policies to a secondary role. Ball (1983) and English (1982b) characterise current Conservative thinking towards council housing as ideological. In spite of the increasing sophistication of analysis of state intervention in housing, in 1983 the National Federation of Housing Associations (1983, p.6) suggested that

"The Housing Association Movement is 'political' in that its work affects the community at large and is greatly influenced by government policy. But it has no Party Political affiliations. Its positive aims have appealed to those across the spectrum of British politics- and to those with little or no interest in political issues. Indeed, the Movement has been dependent upon its cross-party support for its remarkable growth over the last decade."

This oversimplifies the nature of Party political support for the association movement. Such oversimplification is hardly surprising, for the National Federation would not wish to expose political differences that do exist for fear of prejudicing future political support for the movement. This thesis will examine state policies towards housing associations in order to advance the debate on the rationale of state intervention. The analysis will be undertaken on several levels. First, the policies of central government and their underlying political rationale will be considered. On the one hand, central government support for the association movement may be seen to have functional objectives, such as

increasing building industry profitability, securing the reproduction of essential labour power, or facilitating better control of public expenditure on housing. Alternatively, support for associations may result from perceived inadequacies in the performance of local authority housing departments- an organisational approach. Another possibility is that associations were perceived as representing non government housing provision, and by competing with local authorities in the supply of rented accommodation, were intended to provide alternatives to municipal housing activity.

Secondly, the structure of the housing association movement and the objectives of a sample of individual associations will be examined, in order to outline the differences between associations and local authority housing departments. This will suggest the extent to which associations are intending to, or are able to, fulfill tasks which local authorities have traditionally performed. If housing associations are not intended to replace municipal activity, how can we categorise their relationship with local authorities? Thirdly, local authority attitudes to housing associations and the different relationships between local authorities and housing associations will be considered. The extent to which this relationship varies between areas, and as a result of local political control, will suggest the extent to which central government is capable of dictating the activities of housing associations. Finally, the tenant composition of housing associations will be examined. Over the last decade, various studies have attempted to determine the social composition of housing association tenants. Most of these studies rely upon small sample sizes, or were undertaken by a body with a vested interest in their findings. In order to rectify this, an inspection of the tenant files of a sample of housing associations will be undertaken, and a special tabulation of socio-economic data from the 1981 Census is used. In order to provide detailed examples the relationships between associations and two inner London Boroughs will be explored.

It will be argued that variation exists at all levels. Government policies have changed over time, reflecting changing ideological attitudes towards the legitimate extent of state intervention. In the 1960s associations were promoted by a Conservative Government as a private

sector solution to the decline in the supply of privately rented accommodation, in order to reduce the need for municipalisation policies. The following Labour Government preferred rehabilitation to new provision, and encouraged associations to house poorer privately rented tenants by undertaking rehabilitation from 1967. Labour legislation in 1974 reinforced this approach. Furthermore, the powers of the Housing Corporation to supervise housing associations were increased, and an increase in subsidies made available to associations made the movement appear more like a part of the public sector. Dunleavy (1980, p.52-3) defines public sector provision through the notion of 'collective consumption'. This definition illustrates the complex nature of association provision. Under the 1961 and 1964 Housing Acts association provision could be regarded as a part of the private sector, for economic renting was allocated according to ability to pay, and no contribution from taxation was made to the movement (subsidies only being granted through authorised arrangements at that stage). Under the 1974 Housing Act increasingly large subsidies allowed associations to allocate according to need rather than ability to pay, rendering association provision more like municipal provision, and hence a part of the public sector [1] .

When re-elected in 1979, the Conservative Government showed less enthusiasm for associations, and included them in the legislation which applied the right to buy to local authorities. The apparently smooth development of legislation relating to housing associations thus hides a significant Party Political division. Associations have evolved very different constitutions and practices, partly as a result of these changes. Such is the extent of variation between associations that it is difficult to infer their management practices without undertaking a direct survey of their tenants. Local authorities also vary in their attitudes towards associations. Some offer very little support, whilst a few spend the vast majority of their Housing Strategy and Investment Programme allocation on associations. The quantity of nominations required

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[1] The complex nature of association provision means that ambiguities still exist however, for Dunleavy suggests that 'collective' provision is a component of a definition of state provision. Is provision by over 2,000 associations which are not directly accountable to an elected body 'collective'?



by local authorities in return for this assistance also varies considerably. Given the extent of all of this variability, the concept of central government pursuing economically functionalist goals is untenable. Rather, it will be argued that central government policies towards housing associations reflect ideological attitudes towards property ownership and control (the equity created by association schemes), and the legitimate role of local authority activity (the extent to which associations compete with or assist local authority provision).

## 1.2 The Increasing Significance of Housing Associations

The recent growth of the association movement has been dramatic, and represents the beginning of a significant change in tenure structure in this country. The future course of the development of the housing association movement will have important implications for the scale and role of municipal provision. During the nineteenth century legislation first regulated the private provision of housing, and later permitted local authorities to provide unsubsidised housing. Even by 1914, however, public provision of rented housing was negligible; some 90% of all accommodation was privately rented. Central government subsidies were introduced in 1919, and from this date accommodation rented from a local authority grew in numbers. Although the 1919 Housing Act permitted the granting of subsidies to housing associations, until recently they played only a small part in the provision of housing. Nearly all accommodation produced with the aid of government subsidies was provided by local authorities. This position changed in the mid 1960s, and by "1982/83 more than half net capital public housing expenditure was channelled through housing associations" (Arden, 1983, para.5, p.vii). From 1945 to 1963 housing associations completed an average of just over 2,600 units per annum. Between 1964 and 1982 four times as many units were completed; an average of nearly 11,000 units per annum. In 1962 there were 891 associations registered under the Industrial and Provident Societies Act.

By 1972 there were 3,709 [2] . The Housing Corporation began registration in 1974. By 1983 2,771 associations were registered with it (see table 1.1).

These changes have been the direct consequence of an increase in central government support for the movement. In 1982-83 associations received £680m from central government (and a further £110m through local authorities). This represents 56% of the total amount spent on state housing (£1410m) [3] . Only six years earlier association expenditure comprised only 25%. We are witnessing the growth of a new tenure. Yet in 1978 the National Federation of Housing Associations (1978a, p.iv) suggested that "there are few achievements of Housing Associations that, in a perfect world, could not have been accomplished by local authorities". This thesis is concerned with examining the reasons why successive governments have contributed to the growth of housing associations rather than changing the nature of municipal provision.

TABLE 1.1 Housing associations registered with the Housing Corporation (Great Britain, 1975-83).

Year	Number
1975	28
1976	1,561
1977	2,344
1978	2,635
1979	2,765
1980	2,941
1981	3,068
1982	3,020
1983	2,721

Source: Interview with Chief Development Officer of the Housing Corporation (December, 1983).

Note: Figures are as at March 31st each year.

- 
- [2] National Building Agency (1974, p.7). Some of these associations had not undertaken any activity; this helps to explain the relatively small number of associations registered with the Housing Corporation.
- [3] This does not include tax relief on mortgage interest payments by owner occupiers (see section 3.2.3, chapter 3).



### 1.3 The Legislative Background

Government support for housing associations began in 1866, when the Labouring Classes Dwelling Houses Act permitted the granting of loans to housing associations. When subsidies were introduced for state housing in the 1919 Housing, Town Planning etc Act, local authorities were permitted to pass them on to housing associations. This system became known as "authorised arrangements" between a local authority and an association. The 1957 Housing Act defined a housing association as a society, body of trustees or a company established for the purpose of providing or improving housing, and which does not trade for profit, or whose rules prohibit the issue of capital with a dividend exceeding a rate of interest specified by the Treasury. Despite this defining legislation, the relationship between local authorities and housing associations was not altered until the Conservative Government passed the 1961 Housing Act. This introduced two important changes. First, an exchequer fund of £25m was established for the granting of loans to housing associations which provided accommodation at economic rents. Secondly, the system whereby subsidies could be passed to associations by a local authority was extended to permit authorised arrangements between the Minister and an association, thereby allowing the possibility that local authorities could be excluded from this process.

The Conservative Government followed this initiative with the 1964 Housing Act which created the Housing Corporation to oversee and promote the activity of housing associations. The Act also permitted associations with restricted membership (co-ownerships) to receive government assistance. In 1967 the Labour Housing Subsidies Act strengthened the scope for associations to undertake rehabilitation work by including acquisition costs in subsidy calculations. The next legislation to affect housing associations was the Conservative 1972 Housing Finance Act. This created the centralised 'new build subsidy', distributed by the Housing Corporation. The Act also applied fair rents and rent allowances to housing associations (other than co-ownerships). Fair rents are an economic rent which assumes that there is no greater demand for any given property than there is a supply of that type of property. These rents are

registered by a government appointed rent officer, and rent setting was thus taken out of the control of housing associations. Rent allowances are a means tested subsidy towards the consumption cost of housing, and their application to housing associations automatically granted subsidies to many of their poorer tenants.

In 1974 the Labour Housing Act created the register of housing associations at the Housing Corporation, and thenceforth only registered housing associations were permitted to receive financial assistance from the government [4] . The Act also changed the subsidy system, introducing the 'housing association grant', the system in operation today.

The Conservative 1980 Housing Act brought many changes to the activities of housing associations. Most significantly, it granted the 'right to buy' to the tenants of non-charitable housing associations. The Act also applied controls to the auditing of association accounts by the Housing Corporation, the payment of money to committee members of associations, and the publishing of their allocation priorities. Finally, the current Conservative Government introduced the 1982 Housing and Building Control Bill which sought to apply the right to buy to the tenants of charitable housing associations. This clause was defeated in the House of Lords and remains unimplemented [5] .

#### 1.4 Structure of Thesis

Chapter two discusses different theories of the function of state intervention in general, and intervention in housing in particular. It considers functional theory and its modification by concepts of relative autonomy and working class pressure. Central-local government relationships are considered as a factor which questions the viability of central functionalist policy.

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[4] Schedule 5 of the 1975 Housing Rents and Subsidies Act created a new section 17(5) in the 1974 Act which permitted local authorities to lend money to unregistered self-build associations.

[5] The Bill has been reintroduced by the Conservative Government with a clause which will give these tenants the money to purchase alternative accommodation; see Wolmar, 1984.

Studies of the introduction of state subsidies are considered, and then contrasted with organisational approaches (which posit more complex relationships between different parts of the state apparatus). Contemporary neo-Marxist literature is considered, this suggesting that political pressures at the local level are significant influences upon local policy making, and may lead to constraints upon the formulation of central government policy.

This discussion suggests that a focus upon central economic objectives is inadequate, and that an analysis of politics (and ideology) and the interaction between different levels of government is necessary in order to obtain a full understanding of the feasible objectives of central government policies. The remainder of the thesis sets out to use the example of state support for housing associations to further consider this debate.

Chapter three commences by outlining the rationale of state support for associations in the nineteenth century in order to provide a background for subsequent discussion. The focus then moves forward to the twentieth century. Economically functionalist explanations are outlined and criticised. Organisational explanations are outlined and criticised. It is argued that an alternative explanation is required, and political debates and legislative measures relevant to housing associations since 1961 are critically analysed in order to provide a political and ideological explanation.

Chapter four introduces the case study boroughs of Islington and Westminster. The reasons for considering association activities in specific areas are explained, and the process whereby the study boroughs were selected is described.

Chapter five considers the constitution and evolution of the functions of the Housing Corporation, and the growth of the housing association movement. It is argued that the different attitudes of the main political Parties are reflected in the changing duties of the Corporation, and the ambivalent attitude of successive governments to the association movement has resulted in a surprising degree of central financial control. The

variety of tasks being undertaken by associations in the study boroughs is discussed, and it is concluded that changes in government policies over time have led to the existence of wide variations in the constitutions and practices of individual associations. It is therefore difficult to predict the allocational practices of associations. The implications of this for the functional theory of the reproduction of labour power are outlined.

Chapter six theoretically analyses the possible range of relationships between a housing association and a local authority. It is argued that local authorities may perceive associations as having no role, as supplementing, complementing or replacing municipal activity. The case study boroughs will be discussed as an illustration of manifestations of these relationships. It is concluded that local authorities can influence association activity to an extent that is incompatible with centrally functionalist policies.

Chapter seven reviews existing research on the tenant profile of housing associations, and compares their tenant structure with that of local authority housing. Existing research suggests that association tenants are drawn from higher socio-economic groups than local authority tenants. Compared to the total population, housing association tenants are biased towards lower socio-economic groups than one would expect on a proportionate basis. Comparing associations with the total population, their households are smaller and younger than one would expect. Although suggesting that associations perform a reasonably distinct role, these sources of data suffer from several problems. First, the most recent direct survey of association tenants was carried out six years ago. Secondly, the sample sizes in the surveys are very small. Thirdly, some of the surveys only studied specific types of associations, and thus lose generality. Despite increasing government support for housing associations, very little reliable information on their tenants has been collected.

Chapter eight provides reliable data on the tenant profile of housing associations in inner London in two ways. First, by a direct survey of the tenant files of a sample of associations operating in Islington and Westminster. Secondly, by a special tabulation of data from the 1981 Census showing the socio-economic group of association tenants in the study

boroughs. The files on association tenants suggests that associations are housing a distinctive group of people; generally smaller and younger households than one would expect on a proportionate basis. It is clear from the way in which the data is collected that it is not possible for associations to monitor their allocational performance on the basis of tenant files. The special tabulation of Census data suggests that association tenants are generally drawn from higher socio-economic groups than local authority tenants. Despite this relative difference, in absolute terms, association tenants are closest to municipal tenants. This suggests that housing associations complement the role of local authorities.

### 1.5 Conclusions

Chapter nine concludes that it is necessary to focus upon policy formulation and implementation in order to fully understand the nature of state intervention. Housing policy formation in this country is largely a process of ad hoc reaction to economic or political circumstances. Changes in the nature of housing production and consumption require well developed strategies, rather than ideological commitments to existing tenure forms. Successive governments have vacillated between support of public and private sector solutions to housing needs. Housing associations house people who are socio-economically between owners and public renters, yet this is not the result of a purposive-rational strategy. Rather, it is the result of the fact that the association movement has also developed in an ad hoc manner, and is still in need of explicit testable objectives in terms of housing allocation, production and consumption. Such explicit objectives will offer associations a role distinct from that of private sector and municipal housing. This is important if the movement is to secure a specific role in housing provision which is capable of withstanding the ideological predilections of the main political Parties for previously existing tenure forms.

### 2.1 Introduction

In order to understand why central government assistance to housing associations increased dramatically in the 1960s it is necessary first to provide a theoretical explanation of state intervention in general, and intervention in housing in particular. This will be undertaken in terms of the contemporary neo-Marxist debate on the nature of state intervention, for this approach has been widely applied to explain the introduction of municipal housing at the beginning of the century, and Swenarton (1981) has recently discovered information in Parliamentary debates on the introduction of state subsidies which explicitly acknowledge the political objectives behind government policies. The precise objectives of individual policies is a matter of some debate. It is possible to argue, as Swenarton does, that state intervention is intended to serve political and ideological ends, but most neo-Marxist work stresses the economic functions of state intervention (such as the reproduction of labour power through housing). This thesis is primarily concerned with evaluating the relative merits of these approaches through an analysis of contemporary state support for housing associations. Other approaches are considered (see sections 2.3 and 2.4 below, and section 3.3, chapter 3), but these do not seem to offer such explanatory power. Public housing policies have traditionally been implemented by local authorities under legislation enacted by Parliament. Central government support for housing associations has begun to change this relationship. It is impossible to explain this change in the form and nature of public housing intervention without providing a theoretical context for these activities. This entails a theory of the central state under capitalism, and a study of central-local government relationships. As Jessop (1982, p.223) puts it, "concern with the exact institutional forms of political representation and state intervention is crucial".



This chapter begins with a brief survey of theories of central state intervention, followed by an explanation of housing intervention in these terms. Finally, the complexity of central-local government relationships will be considered. Subsequent chapters will evaluate the extent to which these theories provide an adequate understanding of the attitude of central and local government towards housing associations, a subject rarely considered in existing studies of state intervention in housing.

## 2.2 Theories of State Intervention

Gough (1979, chapter 1) contrasts two explanations of state activity: functionalist and pluralist. Gough (p.8) describes functionalism as follows:

"Functionalist theories of the welfare state objectify all processes within society and see policy developments as a passive response to these social or non-social forces. There is no room here for humans as active, initiating groups helping to shape their own history."

Pluralistic theories, on the other hand, concentrate exclusively upon individuals, both in the formation of policies (people of influence) and the perception of problems. There is no synthesising theory of state activity. The task then is to develop a theory which is capable of incorporating the structural economic constraints of capitalism, and the dynamic forces present in the relations between social classes. As Gough (1979, p.10) puts it:

"existing theories of the welfare state are fatally weakened by their insistence on either the objective or the subjective element in understanding human history in general and welfare developments in particular. Consequently, neither can adequately grasp their interrelation in the historical process."

The debate within contemporary Marxism also revolves around the question of the significance of structure/economy and individual/politics. Saunders (1982, p.48) provides a useful summary.

Theories vary in the importance attached to the political and the economic. At one extreme, 'instrumentalism/economism' suggests that state activity is determined by economic requirements. The 'relative autonomy' approach suggests that there is an autonomy between political and economic forces. State activity responds to both pressures. Political pressures represent classes and therefore economic interests, so the autonomy is not complete. At the other extreme, 'state derivationism' suggests that politics and economics are completely autonomous.

In order to address this debate it is necessary to consider what is meant by economic and political forces. Economically functionalist theories focus upon the primacy of 'accumulation'. Gough (1979, p.18) defines accumulation through the Marxist notion of 'exploitation':

"Exploitation refers to the process whereby ... the dominant class, extracts surplus labour from ... the subordinate class. That is, the total labour of the latter class produces a social product, part, and only part, of which is returned to, or retained by, that class in the form of consumption goods."

The perpetuation of capitalist relations depends on the extraction of surplus value. As Gough (1979, p.25) puts it:

"The surplus product or, in its capitalist form, surplus value provides the wherewithal for extra means of production ... It is thus the sine qua non for the renewed accumulation of capital."

Cockburn (1977, p.51n) suggests that state intervention is designed to promote the extraction of surplus value, and analyses state intervention as assistance to capitalist production, and assistance to capitalist reproduction. The former may be direct, as in the case of contracts with the private sector for the provision of 'public' goods (such as housing), or indirect, as in the case of social policies implemented in order to maintain the value of labour power. Of the reproduction of labour power, Gough (1979, p.21) says that

"the value of labour power must suffice, not only to 'produce' the worker, but also to reproduce the next generation of workers, the future working class."



The demands for skilled labour mean that this is an ever more demanding task. According to Cockburn (1977, p.54) the reproduction of labour power

"goes on mainly outside the firm. It occurs on the whole by giving people wages so that they can do it for themselves ... But capital needs labour that is skilled and appropriate to the job ... The state therefore takes steps, on behalf of the capitalist class collectively, to do the job of extended reproduction: to plan for and provide education, housing, health and social services for the country as a whole."

As an aspect of state policy, the focus upon housing is thus the extended reproduction of labour power. Since this approach defines assistance to accumulation as the primary task of state intervention, it is clear that state assisted housing provision must be undertaken in a way which does not fundamentally threaten private profitability. This is done by relying on private sector institutions for the implementation of policy- private building companies and private financing agencies- whilst public agencies are responsible only for organising the housing programme. According to Cockburn, reproduction also involves ideological indoctrination of the benefits of capitalist social relations, and repression through the state apparatus, such as the judiciary.

O'Connor (1973) develops a typology of state expenditure which reflects a similar functionalist view of the state. Social investment is (p.7) expenditure which "consists of projects and services that increase the productivity of a given amount of laborpower and, other factors being equal, increase the rate of profit". This is divided into physical capital (for example, infrastructure) and human capital (for example, research and development). Social consumption is expenditure which (p.7) lowers "the reproduction costs of labor and, other factors being equal, increase the rate of profit" (housing is an often cited example, but see Pickvance, 1980, discussed below in section 3.2.2, chapter 3). Social expenses is (p.7) expenditure "required to maintain social harmony- to fulfill the state's 'legitimization' function" (including the state repressive apparatus, such as the judiciary).

Jessop (1977) describes the main political functions of the state as being either: a means of securing social cohesion (in the work of Poulantzas); an instrument of class rule (Miliband); or the facilitator of the domination of the bourgeoisie (neo-Gramsci). Miliband explains the class bias of the state as resulting from three factors: first, the personnel of the state are drawn from the capitalist class; secondly, the capitalist class can exercise power through its control of economic resources; thirdly, there are structural constraints by virtue of being located in the capitalist mode of production. Most of the other approaches adopt various forms of functionalism, in which abstract necessities of state activity are in some way pre-given and pre-determine state policy. These theories are novel, within Marxism, in that they argue that the political activity of the state is not directly pre-determined by economic necessities (Holloway and Picciotto, 1978, p.3). To what extent is the nature of housing intervention shaped by political needs (working class pressure or ideological attitudes towards tenures) or economic needs (the need to promote accumulation)? In order to address this question it is necessary to establish how functionalist theory can be adapted to incorporate the notion of the autonomy of social relations. In 1977 Clarke raised this question:

"The crucial problem for Marxists is that of theorising the institutional separation of the state from capitalist enterprises, the political separation of the state from the capitalist class, the differentiation and fragmentation of social classes, the representative relations between classes and political parties, and the limits of state intervention, without losing the fundamental Marxist premise of the capital relation as principle of the unity of the social formation."  
(p.3)

Clarke concluded, analysing the work of Poulantzas, that no satisfactory solution to this problem had been found. According to Saunders (1983, p.100) this is still the main area of controversy within Marxism, and Poulantzas argues that

"The problem still remains, how to find the specificity and the autonomy without falling into the absolute autonomy of politics."

It is necessary to consider this issue, for it marks an attempt to incorporate economic and political analysis within one overall theory. Before discussing the work of Poulantzas, it is worth considering the drift away from economism explained by Mouffe (1979). The Second International regarded revolution as an inevitable consequence of economic tendencies: increasing industrial concentration, overproduction and proletarianisation. As Mouffe (1979, p.174) observes, since the collapse of capitalism "was seen as merely the result of the play of economic forces, the latter were considered all the elements necessary to explain the historical process. As a consequence, political and ideological factors simply became epiphenomena". It was in response to the inability of this approach to explain specific historical events (notably the Russian revolution), that Gramsci wrote his Prison Notebooks. The key concept employed is that of 'hegemony', and Mouffe (1979, p.195) defines a class as being hegemonic "when it has managed to articulate to its discourse the overwhelming majority of ideological elements characteristic of a given social formation". This approach correctly recognises that the state cannot mechanistically and unproblematically implement policies which promote the interests of the capitalist class as a whole. Different fractions of capital benefit from different types of government assistance, and policies which explicitly damage the interests of the working class may lead to political protest. The state seeks to avoid such conflicts because they raise the issue of the distribution of power within society. The work of Gramsci thus develops the concept of the relative autonomy of the political and the ideological from the economic, and the argument that there is no necessary correspondence between social groups in the political and ideological field and classes in the economic. Gramsci thus provides the basis of a theory which recognises (relatively independent) economic and political influences on state activity. The state therefore has the dual role of ensuring conditions favourable for the bourgeoisie in general (specifically for the accumulation of capital), whilst responding to and accommodating political demands. Poulantzas also utilises these concepts by combining structural elements and a theory of

relative autonomy. Poulantzas argues that the distinguishing feature of capitalist society is that economic processes have such internal discipline that the state does not need to intervene in them. As Jessop (1982, p.161) puts it

"the political region is able to monopolise and constitutionalise the use of coercion and to specialise for the first time in the global political function of maintaining cohesion rather than being directly implicated in the organisation of the labour process and the appropriation of surplus-labour."

Similarly Clarke (1977,p.9) says

"The economic level is thus the technical realm of production, and the political and ideological levels are the social realm which establishes the social conditions of material reproduction."

This then is the autonomy of the political and the economic. Political domination is achieved juridicially and politically by treating people as individual subjects with individual rights (the 'isolation effect'). Poulantzas denies any rigid class correspondence. In similar fashion, ideology is seen as an area of conflict. A particular dominant ideology is not a simple creation of the dominant class, it contains elements of the conflicting ideologies of all classes. This is necessary if ideology is to achieve the political task of unifying disparate social classes.

Hall, Lumley and McLennan (1978, p.65n) note the debt that Poulantzas owes to Gramsci in his formulation of the concept of ideology, and they argue (p.53) that for Gramsci

"Ideology is principally regarded as the 'cement' which holds together the structure (in which economic class struggle takes place) and the realm of the complex superstructures. Yet whether and to what extent ideologies succeed in performing this role is never pre-given."

Poulantzas thus presents a set of ideologies, each corresponding to specific class interests. These sets of ideas are constantly competing with each other (Clarke, Connell and McDonough, 1978). Where does this leave the function of the state? As Clarke (1977, p.13) puts it

"The state is not defined with reference either to the 'economic' level or to the dominant class ... the state continues to be a class state because the social formation whose unity it maintains is a social formation in which a particular class is dominant."

Here Poulantzas lapses back into the structuralist argument that the nature of the state apparatus, and its relation to the dominant class, determines the outcome of its policies. Domination is thus seen as a structural phenomenon. As Poulantzas puts it when discussing ideology (1968, p.209)

"the ideological (i.e. a given ideology) is constituted as a regional instance within the unity of the structure; and this structure has the domination of a given class as its effect in the field of the class struggle. The dominant ideology, by assuring the practical insertion of agents in the social structure, aims at the maintenance (the cohesion) of this structure, and this means above all class domination and exploitation."

References to 'structure' and 'effect' clearly signify the use of structural functionalism. To ensure hegemony, the state must be relatively autonomous from all classes; it merely re-presents the power of the dominant class. For (Poulantzas, 1967, p.67),

"if in general the politically dominant ideology in a formation is that of the politically dominant class, this is not because it can be identified with some political will of the class-subject as if ideologies were 'political' number-plates social classes wore on their backs; it is because the dominance of this ideology is related to the set of objective co-ordinates which

result in a given political domination, a given class State, and a given dominant ideology."

Poulantzas offers little on the way in which the functional requirements of this structure can be reconciled with his assertions on the conflict between classes in and through the state. Harloe (1978, p.593), in his discussion of the 1977 Consultative Document on Housing Policy, suggests that

"a tightly functional, economistic analysis of the relation between the State and capital accumulation relates awkwardly, if at all, to a theory of society which emphasises the importance of economic, political and ideological factors and of contradictory, class-based processes and to a theory of the State which envisages it as 'managing', more or less effectively, this complex situation to achieve the dual goal of accumulation/legitimation."

Rather than lapse into a structural-functionalist explanation, contemporary neo-Marxist analysis must seek to define the relationship between the economic and political objectives of state intervention. As Clarke, Connell and McDonough (1978, p.121-2) point out

"the 'primacy' of the economic in Marxist theory must be thought in a more persistent and active way than its reduction to the 'matrix' of structures by Poulantzas would seem to allow. The difficulty of thinking (sic) ideology adequately is the task of holding this extended conception of the economic without allowing further analysis to lapse back into vulgar economism in which ideology and politics are treated as mere reflective epiphenomena."

Clarke (1977, p.23) puts it forthrightly:

"The juxtaposition of a structural theory and a class theory of the state in Poulantzas's work is no doubt the basis of its appeal to Marxists. The concept of 'conjuncture', which marks the junction between the two, is also the most ambiguous concept in



Poulantzas's work."

Saunders (1983, p.50) also points to the difficulty of reconciling relative autonomy and economic determination:

"Poulantzas insists that the role of the capitalist state must be to maintain the interests of the dominant class in the long run, even at the expense of short term concessions ... however, he also insists that the state is a condensation of political class struggles and that its policies at any one time will reflect the balance of power between the classes. The problem which he fails to address is how the varying fortunes of class struggle inevitably result in state policies which are consistent with the interests of the dominant fraction of capital."

In an attempt to solve this difficulty, Holloway and Picciotto (1978, p.6) insist that Poulantzas' over politicisation must be tempered, and the focus reoriented to economic processes:

"By severing his study of the political from the analysis of the contradictions of accumulation, that is to say of the relations of capitalist exploitation, he cuts himself off from the principal source of change in capitalist society- the development of those contradictions, powered by the revolutionary struggle of the working class."

This approach suggests that economic relations determine social relations and that therefore social relations do not constitute a separate sphere of study. Such a view must be rejected for it ignores the political power of social classes, and the ability of classes to articulate political demands upon the state. Saunders (1983, p.51) suggests that the solution is a move away from Marxist analysis:

"If we reject the principle of economism, then we are left with the principle of non-correspondence - that is, an historically contingent relation between economics and politics in which the one cannot be deduced from the other. Acceptance of this principle points us away from Marx and towards the political sociology of Max Weber."

This is a good example of the tendency of some writers who (Mouffe, 1979, p.200) "by identifying economism with the thesis of the determination in the last instance by the economy, and by proposing the total autonomy of ideological practices as a solution ... call into question the basic tenets of historical materialism". This is not a necessary response to the theoretical problems of neo-Marxism. What is needed is a definition of the link between economics and politics, not a reduction of the significance of social relations, or of the historical materialist approach altogether. Jessop (1982, p.187) is more sympathetic towards Poulantzas than many other writers, stressing that structuralist analysis is much more prevalent in his earlier work, and that

"if one interprets Poulantzas sympathetically, the inconsistencies in his account of hegemony appear presentational rather than fundamental. But this interpretation clearly depends on rejecting the structuralist problematic in favour of form-determined and class theoretical analyses."

What is needed is not a rejection of Marxist analysis, rather a reorientation in which (Jessop, 1981, p.191)

"state power is a form-determined condensation of class relations and must be investigated in terms of the complex interaction between the so-called 'institutional materiality' of the state apparatus (its form) and the balance of forces involved in political action as the overdetermining level of class struggle (social relations)."

This clearly represents an attempt to come to terms with the notion of relative autonomy, for Jessop rightly claims (p.221)

"a Marxist analysis of the state in capitalist societies will be considered adequate to the extent that ... it establishes the relations between the political and the economic features of society without reducing one to the other or treating them as totally independent and autonomous."

Despite considerable theoretical criticism from Marxists, the ability of relative autonomy approaches to embrace political as well as economic



forces means that the concept of different levels of state activity is permeating much recent work. Holloway and Picciotto (1978, p.9) observe the fact that Poulantzas' 'framework' has been widely adopted. This framework permits an analysis of the 'political' or 'ideological' independently of an analysis of accumulation processes. Indeed the ideological aspects of state intervention are receiving much more attention recently: notions of citizenship being used to explain the form of the state (Duncan and Goodwin, 1982, see section 2.3 below); and ideological explanations of state policies (Swenarton, 1981, p.195).

To advance the neo-Marxist approach to theorising the role of the state, such analysis must explain how particular ideological or political strategies relate to economic processes. Swenarton (1981) has rightly criticised an economically functionalist view of state intervention in housing by stressing the ideological aspects of policy, but to suggest that support for state housing following the second World War was ideological is insufficient, for all policies fit into a theoretical framework of ideas not necessarily shared by all groups in society. To be more explicit, and to go some way in meeting Jessop's requirements, it is better to suggest that housing policy at this stage did not directly meet any economic criteria. Rather, it was an attempt to convince the working class that capitalism was capable of ensuring that their needs were met. Working class pressure demanded a political response, and the response sought social cohesion (and acceptance of the status quo) even at the expense of certain economic interests, such as those of private landlords. It is the contention of this thesis that particular policies may not improve opportunities for accumulation, yet do foster a faith in the tenets of capitalism. This then is their 'economic' rationale. This divergence between the ideological battle over ideas and the economic requirements of capitalism is an area seldom addressed by Marxists when discussing specific policies. The following section will extend and develop the application of these theories to state intervention in housing.

## 2.3 State Intervention in Housing

Private sector housing provision is considered natural by all political Parties, and the state will only intervene if the private sector fails to provide adequate housing. The Labour Government's 1965 Command Paper, The Housing Programme 1965 to 1970, stated (para.15)

"once the country has overcome its huge social problem of slumdom and obsolescence, and met the need of the great cities for more houses let at moderate rents, the programme of subsidised council housing should decrease."

In 1977, the Housing Policy Consultative Document was produced under the Labour Government. Paragraph 7.03 stated that "owning one's own home is a basic and natural desire". In 1979 the then Conservative Secretary of State for the Environment, Michael Heseltine M.P. said [1] :

"Too many of our people are forced to accept the restrictions of tenancy."

The Social Democratic Party (1983, p.1) asserted that owner occupation "is desirable in itself". From at least 1965 the main political parties have explicitly recognised the primacy of owner occupation. Reluctance to provide state housing is based upon the fear that state activity might threaten the economic basis of private provision, and the possibility that state provision will become expected as a right by the working class and become the subject of political demands. Murie (1982, p.49) suggests the economic and ideological functions of owner occupation are closely linked:

"Owner occupation provides the most likely mechanism for ensuring that the consumption of housing is governed by market processes. In this sense increased owner occupation is not simply an end in itself but is a means of achieving other goals concerned with public expenditure, market processes, incentives, choices and self-help."

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[1] Hansard, Volume 967, col.409.

Once central government considers state intervention desirable it may take several forms. Regulation of private provision leaves private production relations virtually unchanged. Subsidisation of private provision alters the balance of competition in favour of certain privileged sectors. Direct provision is normally the last resort for it acknowledges a complete failure within the private sector (and politically can be a difficult step to completely reverse).

Nineteenth century housing legislation was essentially permissive, rather than mandatory, and focused upon poor conditions and overcrowding. The working class did not develop local organisations until late in the nineteenth century, and was slow to raise housing conditions as an issue. Until this occurred, reform was only urged by certain sections of the middle class. Because of the lack of organised protest by the working class, the middle class was able to suggest liberal reforms which did not fundamentally alter economic relations (production for profit being regulated to meet social needs). In this way the causes of bad housing (poverty and housing production) were ignored, and legislation concentrated upon the effects (multi-occupation and insanitary conditions).

This approach was common, and led to the regulation of private provision. Various permissive health and overcrowding statutes were passed from the middle of the nineteenth century; the 1848 Public Health Act was passed six years after Chadwick published his Report on the Sanitary Condition of the Labouring Population of Great Britain. This Act permitted sanitary reform by local Boards of Health. The 1855 Nuisances Removal Act created the now famous phrase 'unfit for human habitation', and placed a duty on local authorities to ensure the adequate provision of privies, and the regulation of overcrowding. The 1866 Sanitary Act, introduced following Dr. Snow's statistical work, gave the vestries fuller powers to inspect and register overcrowded tenements.

At about the same time the philanthropic housing movement, which originated in the 1840s, began to receive state support. In 1866 the Labouring Classes Dwelling Houses Act empowered the Public Works Loan Commissioners to lend money to the housing trusts. The trusts sought to

provide housing for the working classes whilst securing a return on capital sufficient to maintain their funds and thus their future activity. Tradition has it that only five per cent interest was sought (though the success of Peabody is in large part a result of it operating at a return of less than five per cent). The model schemes of these trusts were intended to demonstrate the profitability of investment in housing for the working classes. Miller (1979, p.6) describes this 'five per cent philanthropy' as "a typically British combination of altruism and sound economics". Such state intervention was not perceived as a threat to private initiative, quite the reverse.

The permissive sanitary legislation passed by the state was seldom implemented. Liberal reformers usually criticised the organisational structure of the administration for this failure. Gauldie (1974, p.80) notes that the progenitor of the 1866 Sanitary Act,

"John Snow ... believed that the failure of the Act to produce sanitary reform on a national scale was due to the inefficient working of local government."

This approach was partly correct. Thus the 1866 Sanitary Act was, according to Gauldie (1974, p.139), a failure because of

"inadequacies in the administrative system which became increasingly obvious after 1866."

Furthermore, Wohl (1977, p.275) notes that

"inertia, timidity, extreme localism, and determination to keep the rates down still dominated local thinking down to the First World War."

This approach reifies the organisational structure of government however. It suggests that the only obstacle to reform was administrative, without attempting to explain why particular organisational practices were adopted. Furthermore, it ignores the significance of local political resistance to the implementation of permissive legislation. It is possible to argue that local authorities were entrusted to implement housing policy in order to divert what little housing protest there was away from central

government (see Cockburn, 1977). What is certain is that the administrative structure selected by central government is of political significance.

First, the legislation sought to prohibit the consequences of poverty (for example, controlling multi-occupation) without addressing the causes (the high cost of property and the low wages of the casually employed, which necessitated the subdivision of dwellings). Much of the legislation offered little help to the working class, many of whom were displaced by municipal clearance programmes without suitable cheap alternative accommodation being forthcoming. Wohl (1977, p.139) notes that

"the inability of philanthropic capitalism to provide inexpensive accommodation in central London, resulted in the labouring classes suffering considerably from the housing legislation and the municipal activities of the mid-Victorian years."

Many of the new inspectors and health officers appointed under the legislation realised this. Gauldie (1974, p.254) notes "the unwillingness of medical officers to close houses when the occupants could only turn to worse conditions". Strict enforcement of the legislation would have worsened the plight of the poor. As Stedman Jones (1976, p.189) put it

"If sanitary legislation had been effectively enforced throughout London in the 1860s and 1870s, the crisis in the 1880s would have been much more severe than it actually was."

Secondly, such a focus on the efficiency of government ignores the distribution of political power. Gold, Lo and Wright (1975, p.46) observe

"The internal structures of the state, as well as the concrete state policies shaped within those structures, are the objects of class struggle."

A purely organisational focus is oversimplistic and inadequate. Alternatives are suggested by Dickens (1978) who applies an economically functionalist view of state intervention to an analysis of government housing policy in the first three decades of the twentieth century, Byrne

(1982) who utilises the work of Foster (1979), and adopts a relative autonomy Marxist approach, and Yelling (1982) who propounds a Weberian argument. Dickens (1978) provides an excellent example of the application of economically functionalist theory to an explanation of state housing policy. Typical of his approach is his assertion that, at the turn of the century, "government housing-policy was in effect capital's housing policy" (p.393). Dickens (1978, p.339) bases his analysis upon three main hypotheses:

- (i) the state has never adopted any course of action which will damage dominant economic interests,
- (ii) economic necessity prevails over political processes, and
- (iii) the state can anticipate the demands of the working class, and prepare policies intended to defuse working class protest, without sacrificing its commitment to dominant economic interests.

The latter hypothesis is an explicit rejection of the notion of the relative autonomy of politics from economics. Using this approach, Dickens is able to suggest that rent control was introduced in 1915 in an attempt to secure the continued production of armaments, and was not a concession to a politically powerful working class [2] . Several criticisms can be made of this approach (Byrne and Damer, 1980). First, whilst it is tautologous to suggest that the state will not deliberately take action which threatens the material interests of groups which provide its power, it is possible that political pressure can force the state to support policies which damage dominant interests in the short run. Secondly, whilst finance capital would like to determine the pace of housing policy, there is no guarantee that the demands of the working class can be effectively contained. Indeed, if central government is as omniscient and omnipresent as Dickens suggests, and can predict future causes of political unrest, one wonders why any policy which supports the interests of the working class has ever been implemented. Byrne and Damer (1980, p.65) suggest that it is always political necessity which leads the state

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[2] See Goodwin (1980) for an approach which stresses both political and economic influences behind state intervention.



to grant material concessions to the working class, and that "state action on behalf of the working class only comes about as a result of working-class organisation and pressure". Whilst support for accumulation is a structural constraint, the way in which this is manifested in state policies is dependent upon the constellation of social forces. As Duncan (1981, p.235) puts it

"the notion that the capitalist state is forced to intervene in social reproduction, including housing, so as to facilitate the reproduction of capital itself can be seen as a logical necessity given the structure of the capitalist mode of production ... But ... nothing can be deduced from such abstraction about the form, extent and nature of state intervention in any one society."

The outcome is contingent upon social relations, at both central and local government level. Indeed, Dickens (1978, p.359) is forced to concede, contrary to the main thrust of his argument, that the state is "far from being a monolithic and conflict-free organisation". If this is the case, one wonders how the adoption of preemptory anti-working-class policies can be guaranteed. Furthermore, if the working class is unable to mount effective political pressure, how is it that Dickens (1978, p.350) is able to claim that "rent control, once introduced, was politically impossible to abandon". Byrne and Damer (1980, p.66) accuse Dickens of adopting a "non-Marxist, sub-Castellian, neo-functionalist theory of the state". Dickens does however offer us an insight that he has noticed cracks in the functionalist edifice he has constructed.

Byrne (1982, fig.1) focusses upon political forces in order to explain state intervention in housing. In the mid-nineteenth century the working class was unorganised and unrepresented; bourgeois reform was thus unlikely to change the established distribution of power. Clearance and street improvement schemes, desired by the middle class to disperse pools of casually employed labour in order to avert social disorder, met with considerable 'success' (see Wohl, 1971, and Stedman Jones, 1976, p.180). Legislation to improve the sanitary conditions of the working class met resistance from the urban bourgeoisie which was at least the equal of the



strength of the reform movement.

Byrne (1982, fig.1) posits a class conflict/relative autonomy model of the state when he suggests that it was the rise of 'radical reformist labourism' which first gave substance to the needs of the working class. This was heavily influenced by the desire of some industrialists to improve the living conditions of their labour force. The vestries, then responsible for the implementation of the permissive sanitary legislation passed by government, were unwilling to act because of a conflict of interests; the vestries were dominated by the property owning urban bourgeoisie (Wohl, 1977, p.18). This inertia could only be challenged by an organised working class. Class conflict could divert state policies-away from direct support for accumulation. Foster (1979) follows a similar line of argument in a critical evaluation of the work undertaken by Castells on the reproduction of labour power. He concludes

"the state has to be seen as indeed responding- consciously, deliberately though not without conflict- to the needs of the most dominant and advanced sections of capital."

(p.112, emphasis added)

In contrast to these interpretations of events, Yelling (1982) divorces his analysis from any consideration of economic processes. Yelling (1982, p.301) argues that "clearance ... was ... largely promoted as a genuine measure of social reform". Indeed, around this time the 'reform movement' was particularly active. The 1880s proved remarkably fruitful in terms of research into the conditions of the poor, especially in London. Mearns published The Bitter Cry of Outcast London in 1883. This suggested that Christian missions would achieve nothing until the problem of inadequate housing had been solved. Charles Booth published The Life and Labour of the People of London from 1887. Booth divided his analysis of the casual poor between the dangerous and the feckless, and argued that most fell into the latter category. The casual poor were now to be considered a social problem rather than a danger. The Royal Commission on the Housing of the Working Classes in London reported in 1884 and linked moral degradation to living conditions.

The views of Dickens, Byrne and Yelling present contrasting interpretations of events. Dickens argues that all policy can be explained in terms of support for dominant economic interests. Byrne focusses upon the accumulation process in explaining social policy, and argues that only an organised working class can alter government priorities. Yelling, on the other hand, focuses upon the work of social reformers, implicitly suggesting that political analysis can be completely separated from economic analysis (he offers remarkably little on the political debates surrounding the enactment, rather than the implementation, of the legislation).

Whilst Dickens can be criticised for crediting central government with more power and foresight than it actually has, Yelling neglects the political implications of the nature of nineteenth century housing reforms. Investigation into the nature of these 'social reforms' lends further support to the approach of Byrne. Stedman Jones (1976, p.296-7) highlights the ambivalence of bourgeois reformers towards the poor, manifest in their reasons for wishing to improve the living conditions of the poor:

"The social crisis of London in the mid-1880s engendered a major re-orientation of middle class attitudes towards the casual poor. In conjunction with growing anxiety about the decline of Britain's industrial supremacy, apprehensions about the depopulation of the countryside and uncertainty about the future political role of the working class, fear of the casual residuum played a significant part in provoking the intellectual assaults which began to be mounted against laissez faire both from the right and the left in the 1880s."

Thus there was a coincidence of political (working class/casual residuum) and economic (industrial) needs for action, and the first manifestation of this was the 1888 Local Government Act which displaced the vestries from power, and created the London County Council. This highlights the artificiality of treating 'reform' as an abstract notion, separate from its political and economic context.

In addition to local government reform, the pressures for change led to a strengthening of housing legislation. The 1868 Torrens Act had permitted municipal demolition, but specifically excluded municipal house building. Stedman Jones (1976, p.188) describes it as "purely destructive, creating more overcrowding than it removed". The 1875 Cross Act gave municipalities the power to replace demolished houses and appointed a centralised housing authority in London; the Metropolitan Board of Works. The compensation clauses, and the difficulty of building on cleared land without economic loss (Stedman Jones, 1976, p.200n) meant that replacement was seldom undertaken (if they attempted this at all, public bodies relied upon housing trusts; see Swenarton, 1981, p.28). In contrast, the 1885 and 1890 Housing of the Working Classes Act extinguished the requirement that municipal housebuilding be a replacement activity. The 1885 Act consolidated previous legislation and made implementation less onerous on municipalities (with longer loan repayment periods and lower compensation payments). The 1890 Act was not radically different, but local government reform in 1888 further eased implementation.

Very little was achieved under these Acts however; local political opposition (from property owners for example) far outweighed the active political strength of the working class itself, and some of the reformers displayed an alarmingly ambivalent attitude toward state intervention (see Stedman Jones 1976), emphasising social control more than the benefits to the working class, and regarding state intervention as a regrettable necessity.

Despite the fact that Yelling (1982, p.302) refers to a "spirit of genuine reform", two statements that he makes lends further support to a framework focusing upon class conflict and ideology. First, when discussing the proposals of the London County Council to add to the total housing stock through its use of the 1890 Act, he notes (p.298-9) that the "proposals were fiercely opposed by all the Council's officials who believed that the Council should not compete with private developers in the provision of additional dwellings". Clearly, such an ideological attitude has its roots in interpretations of the legitimate extent of state intervention and the sanctity of the private market (and accumulation in general). Duncan and Goodwin (1982a) argue that 'reform' is

a political concept; its implementation depends on the existence of political power to override short term capitalist economic interests (see, for example, their case study of Oldham).

Secondly, Yelling (1982, p.300) notes that the compensation paid to the owners of land compulsorily purchased for clearance was not substantially reduced until the passing of the 1919 Housing, Town Planning etc Act. Once again the full economic and ideological implications of restrictive compensation clauses are not addressed by Yelling [3] . Indeed, Yelling (p.301) suggests that the Marxist viewpoint "has some commendable points". Like Dickens, Yelling himself sows the seeds for a critique of his position.

There are serious flaws in the functionalist approach of Dickens, and the Weberian approach of Yelling. A relative autonomy perspective holds the most explanatory power, and this can be demonstrated through an analysis of the introduction of municipal house provision. The final impetus to the imposition of a duty upon local authorities to provide subsidised working class housing occurred during the first World War and was the result of the working class taking direct action in support of its own interests in an organised fashion (see Byrne and Damer, 1980). The first World War caused the supply of new privately rented accommodation to dry up. The need for labour for munitions factories greatly increased the pressure upon the housing stock in certain areas. Some unscrupulous landlords seized upon this opportunity to raise rents. In Glasgow many workers threatened to cease work unless their housing plight was eased. According to Byrne and Damer (1980, p.68)

"it was the critical nature of the contradictions at the local level in Glasgow which eventually resulted in the explosion of 1915."

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[3] See McDougall (1979), who pays this issue the attention it deserves in a discussion of the 1909 Housing, Town Planning etc Act and Finance Bill. See also Ball (1983, chapter 7) on land-use planning and speculative housebuilding.

It was indeed because the working class became more powerful than the urban bourgeoisie in certain areas that the political (legitimation) function became paramount. Ball (1983, p.210) also focusses upon the newly found power of the working class:

"By the end of the nineteenth century the working class had both the power and the means to influence urban policies and politics, especially since the enfranchisement of a substantial proportion of the working class had changed the nature of local politics."

This suggests that the primary concern of central government was to secure hegemony by granting powers to local authorities to provide housing which would appease the working class. The cost of the housing programme was considerable, but it was serving a political need. As Lloyd George said of the proposed housing programme in 1919

"Even if it cost a hundred million pounds what was that compared to the stability of the State?" (Quoted by Swenarton, 1981, p.78)

Thus the 1919 Housing, Town Planning etc Act placed a duty upon local authorities to provide housing for the needs of the local population, and provided subsidies for this purpose.

It is important to stress that subsidised provision was the complex response to the interaction of the economic (the need to reproduce the labour force), political (to incorporate locally organised labour in the years preceeding the formation of the national Labour Party) and ideological (an attempt to convince disgruntled workers that capitalism was capable of satisfying their needs). These are all themes manifest in the nineteenth century, but the experience of war and the increasing politicisation of the working class proved an irresistible catalyst. The political need for for action was overwhelming, in view of local labour disputes and the growth of organised labour. As Swenarton (1981, p.195) observes

"it is clear that both the motive for, and the primary determinant of, state intervention in 1918-19 came from the political and ideological levels rather than the economic."

This approach confirms the relative autonomy model of state intervention. The economic interests of private landlords were sacrificed (through rent control in 1915), and vast sums of money were spent on state housing in order to maintain hegemony.

The acceptance of the role of guarantor of decent housing has placed a political burden upon the state which has remained to this day. Indeed, housing has become a major Party political issue, with manifesto commitments designed to attract electoral support. Nevertheless, contradictions remain. There is a delicate balance to be struck between the need to reproduce the labour force and placate working class protest, and the risk that in so doing the state may make its political and distributional effects too visible (Habermas, 1976; Holloway and Picciotto, 1977, p.97; Pickvance, 1978, p.28). Thus state housing provision also has ideological risks, for it challenges private property relations, distribution according to ability to pay and the 'neutral' image of the state.

As a result of the ideological predilection for private sector solutions, the state responds to social stability by elevating the importance of its economic function and reverting to private sector solutions to human needs (see for example Harloe, 1981). This serves to support private sector accumulation and (if successful) avoids the short term prospects of a crisis of legitimation. The history of state intervention in housing reflects these tensions, with programmes being cut or increased because of macro economic circumstances, the relative strength of organised labour and the ideological predilections of the government [4]. Short (1982, p.3) notes that

"because the main political parties ... carry ideological baggage from previous times, memories of the past and an intellectual articulation of their position relative to other parties, they can be relatively autonomous of the interests of any one specific group."

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[4] Merrett, 1979, provides a useful discussion of the first two factors; see Barnett, 1969, for a discussion which focusses upon ideology.



Their ideological predilections influence the precise nature of specific interventions, constrained by the influence of capital and labour. Housing policy in the 1920s provides a good example of the operation of these forces. Social stability following demobilisation decreased the political desirability of the public housing programme. As early as 1921 cheaper designs for public housing had been introduced and by the end of the 1920s government support for the building society movement was manifest [5] . So great had the need for action been perceived in the previous decade that an open ended subsidy had been introduced; this was soon rectified in the different political and economic climate of the 1920s.

In the years preceding the second World War, the emphasis in housing intervention shifted to slum clearance by local authorities, and encouragement of building societies in the private sector. After the second World War history repeated itself. The Labour Government was elected on a tide of patriotic collectivism, of which public housing provision was one part. By the 1950s however, the Conservative Party's electoral pledge to preside over a construction rate of 300,000 houses in one year reflected a more even balance between private and public provision.

The period is interesting, for it reflects both the 'natural' tendency for governments to revert to private provision of housing in times of social stability, and the political institutionalisation of housing (with Conservative housing commitments during general elections in the early 1950s and 1960s, and a Labour commitment in the late 1960s).

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[5] Ball (1983, p.40) suggests that this has been overstated in an interesting comment: "The take-off of owner occupation in the mid-1920s was helped for a few years by generous building subsidies introduced by the Chamberlain Act of 1923. But this effect was fortuitous as they were a response to Conservative doctrinal aversion to council housing rather than specifically to support the growth of owner occupation." One would have thought that an aversion to municipal provision would have had little choice but to favour owner occupation at that time. Ball ascribes the main cause of the growth of owner occupation to wider economic forces (falling building costs, a pool of unemployed building labour and the availability of personal savings from those in employment).



The reality of housing programmes is thus that class pressure can influence policy, and that short term economic interests may be sacrificed in order to meet political expedient. In the case of the 1915 Glasgow rent strikes, the political need to show that the state could control capitalism to the benefit of the working class, in other words the need to 'legitimate' the role of the capitalist state, became paramount. This tension between economic and political functions is always present, though seldom so dramatic. The outcome is dependent upon the political and economic climate prevailing at the time. As Ball (1983, p.17) puts it, "it is not possible to ascribe invariant functions to housing tenures". Indeed, the nature of state support for particular tenures may undergo dramatic changes over time, as the strength of social classes and the economic climate vary. Forrest (1984, p.12) provides an excellent example of a relative autonomy perspective when explaining the right to buy policies of the current Conservative Government:

"Whilst the collectivised welfare state reflected both the strength of organised labour and the necessity of its reproduction, the emergence of the individualised welfare state reflects the weakening and fragmentation of trade unionism and the need to reproduce and extend consumption power".

The next section applies this 'relative autonomy' theory of political action to the local state, and its interaction with central government.

## 2.4 Central-Local Relations

It has been shown that the contemporary Marxist debate on the role of the central state has led to the formulation of political theories utilising the concept of the relative autonomy of 'levels' and the argument that class protest can influence government policy. Such theories are used to examine the formation of central government policy at the national level. Government subsidies towards housing provision have traditionally been granted to local authorities. Local authorities might not be constrained by the same economic and political forces as central government. This section seeks to examine the applicability of the relative autonomy model of state intervention to local government; to

local policy formulation, and central government responses to local authorities.

Despite local administration of public housing, until Cockburn wrote The Local State (1977) there had been little attempt at making local government the object of Marxist theoretical analysis. Cockburn's work is paradoxical, for it raises the issue of the local state as an object of study, yet fails to apply any special or specific analysis to it. Typical of this tendency is her comment (1977, p.2) that

"Local councils don't spring from ancient rights of self government but are, and under capitalism always have been, an aspect of government which is in turn part of the state."

This can be taken as tautologous if it is seen as simply an attempt to describe a part of the organisational structure of the modern state. It tells us nothing about how local government works, its relationship to central government, nor (if the ties between centre and periphery are as strong as is suggested), why there is local government at all in Britain.

Cockburn adopts a functional theory of the state, in which the economic function is only mediated by the need to maintain legitimation, and applies it without modification to local government. Criticisms of such an approach focus upon the use of such strict functionalism (Byrne 1982; Duncan and Goodwin 1982a, 1982b; Pickvance 1980; Saunders 1982a) and the assertion that this is a necessary feature of all government bodies (Byrne and Damer 1980; Duncan 1981; Duncan and Goodwin 1982a, 1982b; Flynn 1978). It is not only subsequent Marxist work that can be used to criticise this approach, but a good deal of organisational studies both before and after (Griffith 1966; S.A.U.S. 1979). Indeed, the two traditions are occasionally called upon simultaneously (Flynn 1978).

Organisational approaches have focused upon the complex relationships between and within government bodies. Although such a focus upon administrative structure does little to explain the political processes behind policy formation, any demonstration of the complexity of organisational relationships casts doubt on the validity of 'unitary' views of policy formation, and it is probable that subsequent political

analysis was motivated by the desire to explain these administrative variations within an overall theoretical context (see Saunders 1982a).

A good example of this tradition is provided by Griffith (1966) who argued that the relationships between central departments and their local counterparts varied considerably in terms of the amount of local discretion permitted. Much of this work argues that local flexibility is in some way a product of inter organisational relationships. Bristol University (1979) argues, for example, that flexibility occurs for four reasons: first, as a deliberate concession to local autonomy; secondly, because of political difficulties in the central resolution of policies; thirdly, because of problems in defining standards of performance applicable to all situations; fourthly, because of the inherent limit to the ability of central government to regulate all tasks. This approach runs the risk of implying that organisational structure is a pre-given object, and does not derive from any wider economic or political requirements (e.g. the desire for greater predictability in certain key areas of policy; see Saunders 1982a).

Another important strand of organisational approaches is the analysis of the complex relationships within government bodies. The C.P.R.S. (1977) has described central government as a "federation of departments" in which the different professions are unlikely to achieve a consensus on policy priorities. Similar arguments can be propounded in the case of local government. If local government personnel have different ideologies from central government personnel then a crude central-stimulus/local-response model is inappropriate.

These theories are extremely useful in exposing the complexity of organisational relationships. Their weakness lies in their failure to adequately explain how or why these sets of relationships have come to exist. The only 'theory' that they possess is one concerned with analysing efficiency, in terms of the process of policy formation and the obstacles to the implementation of (central) policies. Thus individual actors, or groups of actors, can be seen as pursuing conflicting objectives, and a good deal of their time is spent discussing local government officials as one such group.

In contrast, Cockburn (1977) provides a theoretical framework for analysing state policy formation, yet fails to ascribe any distinctive features to local government as an aspect of this. Her theoretical approach suggests that local state is central state, and the faults of organisational approaches are completely reversed; the economic function is seen as determining the policy of both central and local government, with no political differences between the two.

Both Cockburn and most organisational theorists make the error of failing to produce a theory which utilises concepts of human agency and structural constraint simultaneously (Lukes, 1977, p.29). Flynn (1978) goes some way towards solving this problem. First (p.9) he criticises the structuralist and instrumentalist view that all state policy, including local government policy, is deterministically supportive of capital. He thus posits a relative autonomy at both centre and periphery. This is an important step forward in the development of Marxist theory and is receiving widespread support recently, as will be shown below. Flynn (1978) also utilises some strands of organisational theory to argue that local government possesses different characteristics from central government; although dependent on central government for finance, it is highly professionalised, bureaucratic, and depends on a multitude of private sector agencies for the realisation of its policies. It is thus thrust firmly into the realm of local politics. Flynn concludes

"the empirical task still remains that of analysing how administrative routines, politico-bureaucratic structures and inter-organisational relations, interact and affect state policy." (p.12)

Although a considerable improvement on earlier theories, Flynn's view of the nature of the state is relatively undeveloped, and still leaves some questions unanswered: local government is the creation of central government, and questions of how the current distribution of powers has come to exist, and the reasons for the extent of bureaucratisation are not raised.

Saunders (1982a) attempts to provide a theoretical basis for explaining the current distribution of powers between local government and central government. He argues that support of accumulation is the primary task of central government, and thus policies which crucially impinge upon this function are centrally determined. Policies related to, for example, consumption, are locally controlled because they are not crucial to the government's economic programmes. However, Saunders describes local government as being subject to pluralistic pressures, without explaining why this should be. The implication is always that the policies that central government has conferred upon local government are relatively 'safe' in the sphere of pluralistic politics (in other words, that it is a 'plot' of central government). However, past conflicts between central and local government suggest that if this is a plot, it is a very imperfect one. The resistance of Clay Cross to the 1972 Housing Finance Act represented a severe ideological attack upon the policies of the government of the day. The indications are that Saunders' 'ideal type' is too simplistic.

Another line of criticism of the functionalist model of state intervention which inevitably leads to a discussion of central-local relationships is provided by Duncan (1981, p.235) who suggests that it is tautologous to argue that the capitalist state exists to support capitalism, and that an analysis of the relationships between classes is crucial to an understanding of how this is transformed into policy in practice.

Duncan and Goodwin (1982a, p.172) use this argument to explain the existence of local government. Seizing upon one of the influences behind state intervention outlined in section 2.2, they argue that local democracy was a tactic to accommodate working class pressure. It may have been functional then (it may equally have been forced upon the ruling class), but that is not to say that there are not more functional forms of administration available now.

Duncan and Goodwin thus emphasise the political function of government (legitimation through citizenship). This not only caused the creation of local government, but has rendered it susceptible to demands for the

delivery of welfare rights. Like Dearlove (1979), they regard the relative autonomy of local government as a problem for central government. This is particularly the case in times of economic recession, when the central state does perceive the economic function as paramount. They observe (1982b, p.93)

"The question which becomes forced on dominant classes is how to respond to, and hopefully accommodate or remove, the implications of local electoral politics."

This is an approach also adopted by Byrne and Damer (1980, p.69) who, as suggested above, argue that state housing intervention was a response to certain local conflicts between the urban bourgeoisie and the working class. Of this period they argue that

"the differences between practice at central and local levels is the direct outcome of the relative strength and representation locally of (i) the 'urban bourgeoisie' and the industrial bourgeoisie, and (ii) an organised working class informed by Marxist analysis."

Byrne (1982, p.66n) subsequently applies this approach to a case study of Gateshead- in much the same way that Duncan and Goodwin study Oldham (1982a, p.171n) and Sheffield (forthcoming). These studies conclude that the local state is not relatively autonomous to the extent that its support of capital is directly mediated by the conflict between labour and bourgeoisie at the local level. This seems a particularly useful approach, for it permits an analysis of economic constraints at the central and local level (the need to promote accumulation/local sectoral business interests) and an analysis of political pressures (class representation nationally and locally). This development, with its emphasis on form/structure and 'social relations', seems to be the type of analysis that Jessop (1982, p.191) suggested was necessary in order to move the Marxist debate forward.

Considering their different approaches to the study of the local state, it is perhaps surprising that Byrne (1982, p.75) should reach similar conclusions to Cockburn (1977, ch.1) regarding current trends in local



government reorganisation and rationalisation; both hold it to be an attempt to make the local state more functional for capital. The difference is that Cockburn's theoretical analysis would suggest this as inevitable- indeed, it would lead one to question why the local state should ever have been given independence from central government in the first place. Byrne (and for that matter Duncan and Goodwin) perceive it as a response to a change in the balance of class forces: local government was a necessity to secure political legitimation, but now it is more trouble than it is worth. The relative strength of organised labour in certain localities has necessitated a switching of functions away from local government, as a part of a 'rationalisation' of the public sector as a whole which favours the application of corporate business methods (and the integration of local government into this process). The relative weakness of organised labour as a whole has permitted this strategy to succeed. The current Conservative Government clearly regards the Metropolitan County Councils as a hindrance to the successful implementation of central government policies, and this is reflected in proposals for their abolition.

Thus the economic function is now dominating the political function (legitimation). This is also a product of social relations; the current ideological domination of industrial capital over the working class is a product of the current recession and state policy intended to further weaken the working class so as to indirectly facilitate the restructuring of industry in an attempt to revive capitalist production [6] . As Jessop (1982, p.235) notes, "it is important to recall the argument advanced by Joachim Hirsch that the state responds to the political repercussions of crisis and not to the economic crisis (or crises) as such".

Housing intervention can be used as an illustration of central-local relations. If public housing programmes resulted from the central state perceiving a particular combination of economic and political necessity outweighing the ideological risks, why was the responsibility for

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[6] Although the amount of government money spent on owner occupation through income tax relief is criticised by some sections of industrial capital.



implementing the programme given to local authorities, and not retained by a government appointed body? Indeed, local authorities have always been allowed considerable flexibility over the implementation of housing programmes, especially in relation to allocation (see McKay and Cox, 1979, for example p.149). If the reproduction of labour power, and the housing of politically threatening groups was one functional objective of state housing, local discretion rendered its achievement problematical.

Part of the explanation is that subsidised housing was an ideological strategy as much as a functional necessity, and that local authorities were perceived as the institution most capable of fulfilling this ideological requirement. Another reason for relying upon local authorities relates to the use of local electoral politics as a device for legitimation, apparently granting equal political (and social) rights to the local population (the notion of 'citizenship'). Indeed, the use of local authorities to provide public housing occurred just 31 years after the reform of local government. Emerging local labour organisations strengthened the legitimation function of locally elected government and helped to institutionalise protest before the national Labour Party had formed. However, although having such advantages to the state, there really was little alternative available. Byrne and Damer (1980) have suggested that the working class had become more powerful than the urban bourgeoisie in some areas. The view that the 1919 Act represented centrally inspired incorporation credits central government with more autonomy (and foresight) than it had. Rather, local political pressure and the perception of the need for immediate action forced the government's hand. Duncan and Goodwin (1982a, p.169) argue that the legislative developments at the turn of the century were

"a question of ruling groups being forced to respond to changing social relations and the social and physical forms so produced. This response was always partial and internally contradictory. Its functionality was never assured."

Having said this, some of the implications of the legislation were beneficial to the government; marked intervention was only likely where working class strength was greatest. Central government could pass

national legislation yet remain relatively distant from responsibility for its direct implementation. This may have helped to avoid the articulation of national political pressure for public housing by locally based working class organisations (on the basis of 'comparative' need).

Several events since 1919 have suggested that reliance upon local authorities may present serious difficulties to central government. Working class consciousness has been raised through locally elected bodies on several occasions since 1919. This has allowed class consciousness to replace the intended notion of citizenship. The use of the poor law by the guardians in Poplar in the 1920s provides an early example. With working class control of the board of guardians, equality before the law was transformed into a progressive redistribution through poor law relief. The national guidelines for implementing the legislation were ignored, and the administration of this local service was used as a platform for articulating political demands for rates equalisation and a less onerous system for assessing eligibility (see Branson, 1979, for a detailed discussion of these events). In the case of housing administration, perhaps the most famous example of a 'breakdown' of traditional central-local relations is that of the resistance of the councillors of Clay Cross to the implementation of the Housing Finance Act 1972. In this case the Labour Party offered support to the recalcitrant councillors, and the issue was united at central and local government levels. Despite the subsequent withdrawal of support by the Labour Party, the incident served to make housing administration a political rather than a bureaucratic issue (see Skinner and Langdon, 1974).

Byrne (1982, p.75) and Duncan and Goodwin (1982a, p.167) perceive the possibility of direct working class control of locally elected bodies as a threat to the ideological domination of the notion of citizenship. As Byrne (1982, p.75) puts it, local electoral democracy was a viable tactic for legitimation and incorporation whilst instrumental rule by the bourgeoisie was possible, but direct working class rule at the local level provides an unacceptable obstacle to central government. This is what Jessop (1982, p.232-233) terms "the contradiction between the bureaucratic preconditions for the formal unity of the state system and the substantive efficacy of policies oriented to accumulation". This then is the 'problem'

of local government, and Duncan and Goodwin (1982a, p.170) suggest two possible responses by central government. One

"is to attempt to restructure it in order both to transcend class relations with bureaucratic relations of the 'state form', and to remove important social transactions from the domain of electoral local politics. Another response is to maintain hierarchical and bureaucratic work processes within state services and institutions."

These conclusions are shared by many writers (for example, Byrne 1982 and Dearlove 1979). Furthermore, the outcome of the few direct confrontations between central and local government verify these propositions. The poor law boards of guardians were replaced by a government appointed body. The councillors of Clay Cross were replaced by a housing commissioner, and the boundaries of the local authority subsequently redrawn.

Jessop (1982, p.233) argues that the result of this tension

"can be seen in the expansion of quasi-non-governmental organisations (or 'quangos') charged with substantive support and facilitation of economic and social activities and/or with imperative or concertative direction of these activities and given much greater freedom of manoeuvre than the ministries and departments which remain formally within the bureaucratic chain of command."

However, in recent years local authorities have rarely had their powers removed by legislative decree. A more detailed discussion of the life of the 1972 Housing Finance Act provides reasons for this. The 1972 Act did indeed usurp the role of elected councillors by appointing Rent Scrutiny Boards to fix the level of municipal rents. This provoked a critical response from Labour Councillors who feared a progressive erosion of their powers (see Sklair, 1975, p.285). However, the way in which power was to be withdrawn from the elected bodies also threatened the status of local authority employed housing professionals. As Flynn, T (1981, p.121) observes

"Many professions operating in local government have an ideology of technical rationality and neutrality."

Attempting to relocate rent setting from local professionals to government appointed bodies is thus likely to provoke a defensive reaction by local authority professionals. Their arguments are likely to be along the lines of their suitability for the technical task, but it will serve to highlight central government's involvement in the administrative changes. If this occurs it prejudices the attempt to 'transcend class relations' with bureaucratic relations, as the central state remains the visible political agent of control.

It would seem that political expedient has seen the growth of local authority powers to such an extent that it now places a limit on the power of central government. This limit is political and ideological, for local government is a constitutional product of central government, and as such could be directly modified by central government (see Duncan and Goodwin, 1982a, p.173 for the government's reluctance to disenfranchise over the issue of the administration of the poor law by the working class in the 1920s).

More subtle changes in central-local relationships are probable, and do not confront the local power base so directly. Examples are the gradual removal of functions from local government; the reorganisation of local government into larger and more politically conservative areas (as with Clay Cross, when it became a part of North East Derbyshire District Council); and greater control over local administration through expenditure processes (both project specific, as in the case of Housing Strategy and Investment Programmes, and general, as in the current proposals to limit the ability of local authorities to raise rates).

Indeed, housing administration provides some excellent examples of these strategies. The Housing Strategy and Investment Programme is presented as politically neutral; a comprehensive approach to planning housing investment (in the 1977 Green Paper). Lansley (1979, pp.204-205) however, regards it as a method of extending central priorities into local decision making. Wright (Ch.6, Wright (ed), 1980) sees the Public

Expenditure Survey Committee system as a method of centralising power within central government (in favour of the Treasury). The H.S.I.P. system is vertically integrated into the P.E.S.C. system. Furthermore, Ginsburg (1979, p.155) argues that the system of the deficit financing of local authority Housing Revenue Accounts has similar motivations.

These arguments clearly coincide with those of Duncan and Goodwin (1982a, p.170). However, since the conflict surrounding the Housing Finance Act 1972, direct usurpation of local authority housing powers has only occurred over the centrally imposed 'right to buy'. The 1980 Housing Act permits the Secretary of State for the Environment to take over the sales policy of a local authority which is considered to be obstructing implementation of the Act. On December 7th, 1981 Norwich City Council appealed to the High Court against the decision of the then Secretary of State, Michael Heseltine M.P., to take over these duties. This appeal was lost on December 18th, and on February 9th, 1982 the Court of Appeal upheld this decision. It is significant that the 1980 Act reserves the right to take over defaulting councils in respect of sales policy only. In this it is less severe than the 1972 Housing Finance Act, which appointed a governmental body to set rents and also reserved the right to appoint a housing commissioner in defaulting councils.

Established institutional frameworks have thus developed a certain inertia, which central government is loath to challenge. Paris (1978) illustrates this nicely in his study of house improvement in Birmingham. Paris perceives the primary functions of the state as being economic and ideological, and argues that the Labour Party supported rehabilitation because it permitted a reduction in public expenditure (in line with their macro economic policy) and because it had the ideological appeal of being more socially sensitive. The Conservative Party supported rehabilitation because it provided more scope for private profit, and had the ideological appeal of favouring market solutions to housing improvement. These packages of ideas were necessary in order to redirect economic processes whilst maintaining legitimation (Paris, 1978, p.126) and to deflect the opposition of local government. In Birmingham, local Labour Councillors were reluctant to challenge the policy of the Labour Party in Government, and Conservative Councillors were happy to accept a policy which they

believed would reduce council expenditure. Both were therefore quite prepared to present the policy as 'technical' and 'rational'. This study confirms the reluctance of central government to overtly direct local government housing intervention, and its preference for more subtle ideological tactics which incorporate local government officials. In other contexts central control has been more crudely achieved: Urban Development Corporations override electoral control in the name of economic regeneration, and the less severe Enterprise Zone merely reduces the powers of the relevant local authority. This complex pattern of interrelationships serves to confirm the validity of the assertion of Pickvance (1978, p.26-7) that the major weakness of economically functionalist theory is that

"it depicts the state as a monolithic agent, free to intervene in the appropriate manner, and with adequate resources of money and legitimacy. Against this I would argue that the state is not monolithic but divided horizontally into Ministries and other agencies, and vertically into central and local levels; is not a free agent able to meet the needs of monopoly interests but has to reflect all forces in the class struggle (fractions of capital; capital and labour); does not have unrestricted resources at its disposal; and does not have limitless resources of legitimacy."

## 2.5 Conclusions

There has clearly been a shift away from the application of theories of economic functionalism to explanations of central government and local government policies in contemporary neo-Marxist literature. Most of the literature reviewed in this chapter starts by analysing the political and ideological aspects of state policy and then attempts to explain their basis in economic relations. Class conflict at the local level is often cited as the reason for policy initiatives and changes in the administrative structure. In the words of Jessop (1982, p.223)

"to treat the state as a real (as opposed to formal, legal) subject with a pre-given unity is to exclude from view political



struggles within and between state apparatuses as well as the effects of its institutional structure on the constitution and conduct of political struggles beyond the state."

The work of Gramsci (and Poulantzas) seems particularly relevant, for it emphasises that political and ideological processes are not class determined, but contain conflicting elements from all classes and class fractions. Yet most studies of struggle over the tasks and organisation of the administrative structure focus upon political struggle to the virtual exclusion of ideological conflict, and deal with events which occurred several decades ago. Swenarton (1981, p.195) is correct when he asserts that "we must give rather more attention to political and ideological factors than recent theoretical writings have suggested". The growth of the housing association movement raises questions about the political motivations of its supporters, and the creation of the Housing Corporation in 1964 changed the relationship between central government and the local administration of housing. The following chapters will explore the validity of the relative autonomy perspective outlined above through a study of the nature of political support for the housing association movement, and the activities of housing associations in practice.



#### 3.1 Introduction

Housing associations have been eligible for government assistance since the middle of the nineteenth century. In the 1960s however, the nature of this support changed, and from 1974 increasingly large sums of government money have been allocated to housing associations. Yet throughout all of this, there has been virtually no theoretical analysis of the role that housing associations play in the provision of housing accommodation by academics or government departments.

Why have successive governments increased their support of the housing association movement? This is the key question which this chapter addresses. A variety of theoretical approaches to this task will be employed. First, a theoretical explanation in functional and organisational terms will be undertaken. Subsequently an analysis of political debates on the association movement will be undertaken. The main sources used will be Hansard (second reading debates and standing committees on legislation), White Papers and Circulars. This will facilitate an examination of the political and ideological basis of state support for the movement. This chapter will conclude by evaluating the relative merits of these approaches. It will be argued that an analysis of ideology holds the most explanatory power.

As table 3.1 shows, recent government support has led to a dramatic increase in the output of accommodation from associations. Since 1944 a total of 253,508 units have been completed by housing associations. Only 18.8% of these were completed in the 19 years to 1963. The remaining 81.2% have been completed since 1964. Housing association provision has clearly grown in importance from the mid-1960s. It is important to first consider the nature of state support before these changes. State support for housing associations predates subsidies to local authority house

provision, yet much Marxist analysis of housing ignores this and starts with a discussion of the 1919 Housing Act. An examination of the rationale of state assistance to associations before this period might throw light on the reasons for their recent revival by central government.

In the nineteenth century housing provision was largely unsubsidised. The main providers of housing intended specifically for the poorer classes were the model housing trusts. The first trust formed was the Metropolitan Association for the Improvement of the Dwellings of the Industrious Classes, founded in 1842. At its inaugural meeting it was described as an association "for the purpose of providing the labouring man with an increase of the comforts and conveniences of life, with full compensation to the capitalist" (Quoted by Tarn, 1973, p.22).

TABLE 3.1 Housing association completions since the second world war (England).

Year	Completions
1945-60	42,720
1961	1,564
1962	1,550
1963	1,925
1964	2,846
1965	3,620
1966	4,097
1967	4,521
1968	5,538
1969	7,095
1970	8,176
1971	10,168
1972	6,904
1973	8,340
1974	9,264
1975	13,652
1976	14,436
1977	24,193
1978	20,572
1979	16,275
1980	18,946
1981	16,661
1982	10,445
1945-63	47,759
1964-82	205,749

Source: Department of the Environment, Housing and Construction Statistics, 1972-83.

The Society for Improving the Condition of the Labouring Classes was established in 1844, and rapidly developed a programme which catered for special needs (including the housing of widows). The Peabody Donation Fund was founded in 1862, with an emphasis on housing the poor of London. The 'model' schemes of these trusts were intended to demonstrate that it was

possible to solve the problem of insanitary housing by providing housing of good quality to rent that working people could afford, whilst earning a moderate return on investment. Merrett (1979, p.15) notes that:

"The model dwellings associations intended to demonstrate in an exemplary manner that wage earners could be provided with dwellings containing a regular water supply, adequate sewage disposal and proper ventilation at a rent they could afford without overcrowding, and that simultaneously the investor in such dwellings could earn a modest return on his capital."

These trusts generally sought a return of 4-5%, a low return at that time [1] , but sufficient to perpetuate the trusts activities. They clearly played an important function in promoting social stability in the eyes of the government. As Wohl (1977, p.50) puts it

"The connection between the home and social control is apparent in Shaftesbury's writings, and he believed that if overcrowding were permitted to continue, the husband would lose his 'authority' and the wife her 'genial influence', and that that would put an end to all hope of improvement in society."

Shaftesbury supported the activity of the trusts (appropriately enough in a pamphlet entitled The Mischief of State Aid). The trusts applied strict rules to their tenancies (Stedman Jones, 1976, p.187 calls this "paternalistic vigilance"). The social control function was never more manifest than in the work of Octavia Hill (see Wohl, 1977). Hill promulgated a belief that, given a minimum level of housing provision, the occupants could be trained in the responsibilities of housekeeping. Stedman Jones (1971, p.193) describes Hill's work as a scheme where

"poor and overcrowded courts were taken over, and the tenants were 'trained' in punctuality, thrift, and respectability through

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[1] Industrial investment could yield a much higher return. Henry Roberts addressed the Royal Institute of British Architects in 1862 and explained that (Tarn, 1973, p.43) "With care, a return of three and a half or four percent could be obtained ... Nevertheless, he admitted that housing societies could not hope to attract commercial investment, because a return of that sort was not a good investment by the standards of the day".

the medium of the landlord or the lady rent collector."

As Tarn (1973, p.134) comments, the "problem of the poor was seen to be moral and educational".

The 1866 Labouring Classes Dwelling Houses Act permitted the granting of loans to housing trusts, to encourage private provision for the working classes. This has been interpreted as an attempt to limit the extension of state intervention. As Gauldie (1974, p.221) puts it, the trusts "led people and Parliament to believe that private enterprise, efficiently controlled, could deal with the problems of unsanitary housing, homelessness, and overcrowding, and perhaps held up the progress to state controlled housing for decades by encouraging this ill-founded belief."

In truth, predominant laissez-faire attitudes meant that state intervention was likely to consciously avoid state subsidisation and provision. As Wohl (1977, p.92) pointed out, at that time both Liberals and Conservatives were ideologically opposed to state intervention:

"it would be wrong to suggest that any clear distinction can be drawn between the rank and file of the two parties in their ideological attitudes towards laissez-faire and paternalism."

It took a change in the organisation of the working class, and different attitudes toward state intervention, both public and in the government itself, before subsidies were introduced. This not only provided the necessary encouragement to government bodies deemed responsible for the provision of housing, but allowed provision to be directed towards the poorest. The philanthropic trusts had been incapable of helping the neediest (see Stedman Jones, 1971, p.184-5; Merrett, 1979). For example, Tarn (1973, p.18) argues that the high rents of the dwellings of the Society for the Improvement of the Condition of the Labouring Classes "was an example of their social policy to provide the best accommodation at the least rent compatible with their desire to make a limited profit ... the rents were not small by comparison with those then prevailing for a slum tenement, and this limited the value of the building to one particular social class, the artizan". Indeed, there is ample evidence that these trusts sought to house the labour aristocracy, relying

on the 'filtering' concept for an improvement in the conditions of the poorest. Waterlow, chairman of the Improved Industrial Dwellings Company (Wohl, 1977, p.150), "defended his policy of self-contained and therefore not inexpensive flats before the Royal Commission in 1884: 'it would not have been right to build down to the lowest class', he argued ... Instead the company had 'rather tried to build for the best class, and by lifting them up to leave more room for the second and third (class) who are below them'".

The implications of the failure to house the poorest are significant. Gauldie (1974, p.235) puts it succinctly:

"The fact that these patently admirable, financially respectable, able and determined business men working on the best commercial principles, should fail, had great influence on the future of government housing policy."

The failure was not just in terms of the dwelling companies inability to house the poorest. Stedman Jones (1971, p.197) notes that by 1873 only 27,000 persons were housed by the model dwelling companies in London; insufficient to house six months population increase. The Charity Organisation Society in 1881 also confirms the statistical insignificance of voluntary housing:

"The amount of remedial work in the direction of housing the labouring poor in London performed by philanthropic or associated commercial enterprise, useful as it undoubtedly is, continues ... relatively insignificant and wholly inadequate in proportion to the needs of the population, nor is there reason to expect a large development in this direction in the future."  
(Quoted by Wohl, 1971, p.40)

In similar fashion Merrett (1979, p.19) notes that by 1914 the companies had provided less than 100,000 rooms in London; insufficient to house two years population increase.

The background to the passing of the 1919 Housing, Town Planning etc Act has been discussed in the last chapter. Significantly, the 1919 Act granted subsidies to local authorities, and also allowed them to pass the

subsidies on to housing trusts under agreements between themselves and specific trusts. Local authorities were selected to undertake the building programme because of the urgency of the perceived situation (see section 2.2). Their administrative experience gained during the first World War gave them a measure of respectability, and the national local government system suggested that they were capable of initiating schemes across the whole country simultaneously.

Thus section 18(1) of the 1919 Act stated

"A local authority ... may promote the formation or extension of or ... assist a public utility society whose objects include the erection, improvement or management of houses for the working classes."

Section 18(3) stated that

"Any expenses incurred by a local authority under the provisions of this part of this section ... shall be defrayed in the same manner as the expenses of the local authority."

Between 1919 and 1961 legislation did not significantly alter the position of housing associations. Barclay (1976, p.17) comments that after "1924 a large number of societies, associations and trusts registered under the Provident Societies Act came into being". Whilst there may have been a growth in the formation of associations at this time, Barclay does not offer an explanation. The nearest Industrial and Provident Societies Act to 1924 was the 1894 Act. The 1923 Housing Act did, however, offer direct Exchequer assistance to associations for the first time, although only for a very limited period [2] . Section 26 of the 1935 Housing Act [3] defined 'housing association' for the first time as:

"any society, body of trustees or company established for the purpose of, or amongst whose objects or powers are included those of, constructing, improving or managing, or facilitating

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[2] By section 1(1)(a) the work had to be completed by October 1st 1925.

[3] Section 30 allowed the Minister to recognise and support a "central association or other body". This was used to promote the National Federation of Housing Associations (N.F.H.A.).



or encouraging the construction or improvement of, houses for the working classes, being a society, company or body of trustees who do not trade for profit or whose constitution or rules prohibit the issue of any capital with interest or dividend exceeding the rate for the time being prescribed by the Treasury, whether with or without differentiation as between share and loan capital."

This definition clearly has its antecedents in the philanthropic societies of the nineteenth century (with its emphasis on limited dividends). The 1936 Housing Act made the procedure whereby local authorities entered into agreements with housing associations for the provision and improvement of accommodation compulsory if financial assistance was to be given to an association. Section 94 used the phrase 'authorised arrangements' to describe such agreements. Financial assistance was to be paid to associations, through the local authority, as if the houses had been provided by the local authority itself (section 94 subsection 3). The type of activity encouraged by section 94(1) concentrated overwhelmingly upon the housing of the 'working classes'.

Baker (1976, p.148-9) notes that

"The underlying aim was to use the local authorities as agents for the central government in ensuring that the public funds paid over to associations were properly used. Unfortunately, some not only declined to use rate money to supplement the Exchequer subsidy, which was understandable enough in many circumstances, but used the powers entrusted to them to block payment by the Exchequer."

The system whereby housing associations could only receive government subsidies through the mediator of a local authority was not altered until 1961. Housing associations re-entered the mainstream of housing legislation in 1957, when the Housing Act provided a new definition. Section 189 (now amended by schedule 18 para.6 of the 1974 Housing Act) stated that

"'housing association' means a society, body of trustees or

company established for the purpose of, or amongst whose objects or powers are included those of, providing, constructing, improving or managing or facilitating or encouraging the construction or improvement of, houses or hostels as defined by section 129(1) of the Housing Act 1974, being a society, body of trustees or company who do not trade for profit or whose rules prohibit the issue of any capital with interest or dividend exceeding the rate for the time being prescribed by the Treasury."

This definition differs from that in 1935 in that it does not specifically designate the task of associations to be to cater for the working classes [4] . This may have been intended to accommodate the types of activities later introduced by the 1961 Housing Act (see section 3.4, chapter 3). In the event, the 1961 and 1964 Acts defined eligible associations as 'housing societies', and created definitional confusion for over a decade (see M'Kenzie-Hall, 1971, p.35). The 1957 Act maintained the system of authorised arrangements between an association and a local authority "for the purpose of enabling the association to improve houses or buildings" on land owned by the local authority (section 129). To this end local authorities were empowered to make grants or loans to housing associations (section 119) for the provision (section 120) or rehabilitation (section 121) of accommodation. The Act suggested very little that was new. As Stack (1968, p.48) put it

"The 1957 Housing Act consolidated earlier legislation and incorporated provisions relating to housing associations which were essentially the same as those obtaining in the inter-war years."

Local authorities had been empowered to advance money to housing associations since the passing of the 1919 Act. Very little money was advanced to associations by local authorities however. In 1961 associations completed only 1564 units (in England). There are at least two reasons why local authorities did not provide much assistance to

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[4] Section 1 and schedule 1 of the 1949 Housing Act removed the requirement that provision should be for the working classes.

associations. First, many local authorities, particularly those which had been active under earlier, less favourable legislation, did not want to do anything which limited their role in the provision of housing. Local authority professionals were concerned to establish a tradition of municipal housing provision. Secondly, the 1919 Act limited the loss a local authority could incur on any housing scheme to the product of a penny rate. These virtually limitless subsidies meant that there was little financial incentive for local authorities to utilise housing associations. Although the magnitude of municipal subsidies varied over time, the relationship between local authorities and housing associations did not radically change until central government supported associations directly in 1961. Borrowing money in order to support associations could have prejudiced the programme of a local authority. Stack (1968, p.32) observes that

"a local authority may not be inclined to increase the size of their outstanding loan debt for the sake of helping a housing association and perhaps jeopardise some future project of their own."

Local authorities therefore had been primarily responsible for producing state supported housing for 42 years when the then Conservative Government passed the 1961 Housing Act. This Act created an exchequer fund of £25m for use by (cost rent) housing societies [5] , and permitted authorised arrangements between a housing association and the Minister of Housing. This represented a radical departure from previous practice, and began a process of decreasing local authority influence over the activity of housing associations. The remainder of this chapter will consider the different theoretical approaches to explaining why this, and subsequent, support of housing associations occurred.

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[5] In England and Wales by section 7(3). In Scotland a further £3 million was allocated by section 11(4) of the 1962 Housing (Scotland) Act.

### 3.2 Accumulation Explanations of State Support for Housing Associations

One way of explaining state support for housing associations outlined in chapter 2 is to suggest that the policy pursued specific economic goals. Much contemporary neo-Marxist analysis of state intervention in housing argues that the policies are functionally required by 'capitalism'. These approaches posit two fundamental requirements of state activity. The first task is to secure the conditions favourable for capital accumulation (either through direct contracts with the private sector, or by securing general conditions favourable for accumulation). In housing these tasks are fulfilled by contracting out state housing to private building firms, financing housing on the open market, and securing an adequate supply of healthy labour for industry (reproduction of labour power for accumulation). The second task is to secure legitimation, and social stability. In housing this is achieved by ensuring the adequate reproduction of 'essential' labour power (reproduction of labour power for social stability). This section will assess the applicability of these functional theories of state intervention in explaining state support for the housing association movement.

First, the likely profits generated in related construction industries will be considered. Secondly, the reduction in the costs of reproducing labour power will be considered. Finally, the effect of the transition to association provision on the level and predictability of public expenditure will be considered.

#### **3.2.1 Building Industry Profitability**

It is difficult to see how association new building can be in the economic interests of 'capital'. In 1980 there were 2,685 housing associations in England and Wales, but only 353 housing authorities [6] . This fragmentation of association tendering is reinforced by the project

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[6] See Brion and Legg (1977, p.32). Comparing the size distribution of local authority and housing association housing departments they comment that "the differences are so great that we cannot even use the same scale for the diagrams", associations departments being much smaller (see the figure on p.33).

specific nature of the housing association grant, whereas local authorities can pool their rents and subsidies. There can be little doubt that, if the intention of state policy is to provide public housing with the least inconvenience to large capital [7] , securing greater accumulation [8] , the local authority sector is currently the most functional. Indeed, Short and Ramsden (1974, p.10) and Short (1982, p.191-2) argue that associations are inherently inefficient, duplicating each others work and suffering diseconomies of scale [9] .

Association rehabilitation raises slightly different questions. Rehabilitation lends itself to the organisational structure of the association movement; it requires smaller programmes of work, often in phases. This may provide stability for small building firms, which are the most vulnerable to economic fluctuations. Local authorities can and do undertake some rehabilitation work however, and there can be little economic justification for preferring associations. Housing association activity is unlikely to generate profits in the private sector significantly larger than those generated by municipal activity. An explanation of state support in terms of accumulation is therefore inappropriate.

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- [7] According to Dunleavy (1981, p.15-16) the construction industry is dominated by a small number of large firms. In 1968, the largest building and civil engineering firm accounted for 21% of employment for the type of firm, and 26% of gross output. Ball (1983, p.57) confirms this: "Big capital dominates the industry and generally such firms produce more than 300 dwellings per year", and "47 percent of the market in 1978 was taken by 89 firms providing more than 250 dwellings".
- [8] Ball (1983, p.83) confirms the fact that large building firms make greater profits when he asserts that "their ability to take a long-term view enables them to raise their development profit above the norm".
- [9] An argument disputed by the National Federation of Housing Associations, who argue (1983, p.11) that "there is no optimum size for housing associations" and "the global number of housing associations is an irrelevant consideration", as long as each association is operating efficiently. Indeed, in 1977 the N.F.H.A. argued (1977, p.23) that "housing associations, on an average basis, move quite speedily on the development side for both new-building and rehabilitation".

### 3.2.2 The Reproduction of Labour Power

Pickvance (1980) discusses the notion that social housing is intended to reproduce labour power. In order to verify such a thesis he argues that three questions must be addressed. First, one must decide which groups of labour are most functional for capital and therefore require specific assistance. Secondly, the inadequacy of the private sector to meet the needs of this group must be demonstrated. Thirdly, one must demonstrate that social housing reduces the cost of housing and improves the use value of housing for the occupational groups specified. A fourth question must be addressed if this argument is to be extended to housing associations; that housing associations perform this function better than local authorities (for the innovation is not justifiable if associations are merely as suitable as local authorities).

Pickvance (1980, p.42) correctly recognises that only the third question has been adequately addressed. He regards the identification of functional groups as particularly problematical. This is important if the function of allocation practices is to reproduce specific types of labour power. There are several reasons why, even should such groups be capable of identification, associations are unlikely to house them more efficiently than local authorities. First, local authorities commonly nominate 50-75% of association tenants. Were municipal inefficiency in targetting priority groups the reason for supporting the housing association movement this practice would be positively discouraged. In fact, it was a Government White Paper (Fair Deal for Housing, para.78) which suggested this as standard practice. Secondly, it has been argued that one advantage of associations is their flexible allocation policies (see C.H.A.C., 1971, para.2.4). This militates against a functional allocation policy which seeks to reproduce specific types of labour power nationally. It could be argued that associations merely have flexibility in selecting from amongst a growing pool of 'welfare' applicants. The trend towards marginalisation in the council sector has been widely recognised (see, for



example, English, 1982a; Ball, 1982 [10] ). Gray (1976b) has suggested that the allocation system operated by local authorities is intended to stigmatise occupancy of a council dwelling, in order to obscure the reasons for the shortage of public housing and to foster preferences for market provided housing. Gray describes these as primarily ideological rather than economic strategies. The current Conservative Government is also emphasising the charitable elements of association activity however, suggesting that associations should now only house the poorest [11] . The crucial issue is whether it was necessary to support associations to further this aim. This raises two important questions. First, what was it about association provision that leads Gray (1976b, p.82) to suggest that association provision was a more ideologically acceptable form housing provision than council housing in the eyes of the Conservative Government? Are the allocational procedures of housing associations likely to result in different ideological responses? Secondly, if housing association provision was preferred in the 1960s and early 1970s, why is the current Conservative Government, through the right to buy and marginalisation, treating housing associations much like local authorities? Why increase support for a tenure in 1961 only to begin a process of marginalisation of its tenants some twenty years later?

Pickvance concludes (1980, p.46)

"explanations of state intervention in terms of improvements in the reproduction of labour power need to explain why and how the particular means concerned, i.e. the state, came to intervene, as well as the purported reason for its intervention, since there are alternative means (the private market, philanthropy, companies) and the state itself is incapable of carrying out all

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[10] Murie (1982, p.49) has noted that the Conservative Party is currently defining the role of local authority provision as being "largely concerned with meeting the needs of a residual population who cannot fend for themselves in the owner-occupied market and cannot obtain adequate housing in the privately rented sector"; specifically for "the elderly, the poor and certain groups with special needs".

[11] See John Stanley M.P. (Conservative Minister for Housing), Standing Committee F, 1982 Housing and Building Control Bill, col.305, who argued that "it has become apparent that at least some existing tenants of charitable housing associations are not in necessitous circumstances". This argument is developed in section 5.3, chapter 5.



It has been suggested that the main reason for switching from indirect provision through trusts to direct provision through municipalities in 1919 was a legitimisation crisis caused by working class agitation over housing conditions. It is difficult to ascribe such a functional requirement in 1961. Indeed, the early cost rent associations catered for middle income tenants; a group hardly in need of state assistance in reproducing its labour power. It can be argued that the current tendency towards a polarisation of association activity, between middle income purchaser (utilising the right to buy and other means of gaining ownership) and residual poor can be explained in part as a response to the failure of earlier attempts to promote a new unsubsidised tenure. This having failed, the Conservative Government is prepared to subject associations to the same policies as are being applied to local authority provision. Quite who this could be functional for is hard to imagine, for the result is the creation of a new tenure which is merely duplicating the work of local authorities (in a way to be more accurately defined later, when the allocation policies and tenant structure of associations are considered). It would seem that there is also difficulty in addressing the fourth component of an adequate theory of the reproduction of labour power through housing association provision.

### 3.2.3 Public Expenditure

Another functionalist argument suggests that housing associations have been supported in order to facilitate a reduction in public expenditure on housing, or have provided a framework which will facilitate such a move in the future. Initially, cost rent and co-ownership associations received no subsidy. From 1961 to 1972 the attitude of governments closely reflected those of their nineteenth century predecessors. Associations were intended to demonstrate a viable area for private investment in rented housing. [12] Since 1974 however, housing associations have become increasingly subsidised. In 1981/82 associations received £636m from central government (through the Housing Corporation). The 1979 Committee

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[12] See section 3.4 for detailed support for this assertion.

of Public Accounts [13] stated that unit costs and subsidies were similar in municipal and association sectors. Hatch and Mocroft (1979, p.400) argue that the products of local authorities and housing associations have become similar to the point where "cost differences have mostly disappeared". Furthermore, central government reduced local authority housing expenditure from £2914m (1981 prices) in 1975/76 to £1422m in 1981/82. During the same period it increased allocations to the Housing Corporation from £307m to £556m.

These figures suggest that far from permitting a reduction in state expenditure on housing, support for the association movement has led governments to spend more on housing than they might otherwise have. This is not to deny that increased central control over housing expenditure may be a long term objective behind support of the association movement. The Housing Corporation is non-elected, and central government may have expected to meet less political opposition to financial cutbacks from the Corporation than it would from local authorities. This argument has several weaknesses however. First, the government seems to be having little difficulty reducing local authority housing expenditure directly. This does not invalidate the argument if this reduction has actually been facilitated by increased support for housing associations. Table 3.2 shows the total expenditure on municipal and association housing from 1976-77 to 1982-83.

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[13] Appendix V of the report is a statement on the comparative costs of local authority and housing association provision, prepared by the Accounting Officer of the Department of the Environment. Whilst stressing the difficulty of comparing like with like, the appendix concludes (para.10) "that there are no marked differences between the sectors in the costs of providing or managing accommodation". Precise figures for costs are given as; management (para.6), £163 per local authority dwelling per year and, £160 per housing association dwelling per year (1977-78); provision (para.4), £15,500 per local authority dwelling and £13,500 per housing association dwelling (1978).

TABLE 3.2 Public expenditure on the municipal programme  
and on housing associations (capital expenditure, £m cash prices).

Year	76-77	77-78	78-79	79-80	80-81	81-82	82-83
Municipal expenditure on municipal programme	1860	1758	1736	1944	1717	1416	1410
Total expenditure on associations	469	513	508	586	665	634	790
Total expenditure on 'public' housing	2329	2271	2244	2530	2382	2050	2200
Percentage of 76-77 expenditure	100	97.5	96.4	108.6	102.3	88.0	94.5

Source: Treasury (1982 and 1983). Derived from table 2.7.

Using 1976-77 as a base, there is a remarkable consistency in total housing expenditure, varying from a high of 109 to a low of 88. Indeed, the expenditure in 1982-83 is only 5.5% below the level spent six years previously. It can be argued that expenditure on associations is merely a redirection of expenditure, without altering overall levels. The presentation of figures in cash terms obscures the effect of inflation, however. Using the index of general prices in Economic Trends [14], the real value of the 1982-83 allocation is only 73.9% of the 1976-77 allocation. There has therefore been a considerable reduction in total housing expenditure in real terms, despite increased cash allocations to the Housing Corporation. Indeed, in 1981 the Labour Party (1981, p.58) observed that

"There is no evidence that the growth of housing associations

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[14] January 1984, table 42. Inflation figures are given for calendar years, so the estimate is slightly inaccurate compared to the figures in table 3.2. The accumulated inflation rate over the years presented in the table is 27.8%, making the real value of the 1982-83 allocation only £1721m.

over the last few years has meant more investment in public housing than would otherwise have been made".

Secondly, successive years of government support for the association movement has facilitated the creation of a political lobby in their favour. This was demonstrated in resistance to a reduction in their subsidies in the late 1970s. This political lobby is based in the House of Lords, and was manifest in their rejection, in April 1983, of the governments attempt to apply the right to buy to the tenants of charitable housing associations (clause 2) in the 1982 Housing and Building Control Bill.

In the Lords Committee Debate, only five speakers were in favour of clause 2, whilst thirteen spoke against it [15] . The clause aroused opposition from all sides of the House. The variety of opponents was remarked upon by several speakers. For example, Lord Strathcona and Mount Royal (Conservative) (col.814) observed "I think that it would be fair to say that Clause 2 has not so far flushed out very many friends in this house". Lord Bellwin (Conservative), in his summing up in favour of the clause (col.847), was forced to acknowledge that opposition "has come not only from noble Lords opposite, but also from some of my noble friends". The clause was defeated by 182 votes to 96. In 1983 the Conservative Government introduced an amended version of the Bill. The new Bill included provision for a right to buy where the landlord only holds a long lease. Lords opposition to the right to buy being applied to housing associations was manifest again, when an amendment was proposed to exclude this new right where the landlord is a charity. Baroness Nicol (Labour) [16] reflected on the fate of the previous version of the Bill:

"We decided last year in a very well argued case on all sides of

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[15] Baroness Birk (Labour) (Hansard Lords, Volume 441, col.814) argued that the whole concept of voluntary work would be jeopardised if the efforts of contributors merely resulted in the creation of private rights. Lord Hanworth (Social Democrat) (col.827) suggested that retrospective legislation was a bad thing (the clause attempting to apply the right to buy to associations which had received housing association grant in the past). Baroness Denington (Labour) (col.842) observed that the country could not stand another source of decline in the availability of rented property.

[16] Hansard Lords, Volume 448, col.1168.

the House that charities needed to be protected for very good reasons. They are the one method we have of ensuring a long-term supply of rented housing."

Lord Evans of Claughton (Liberal) (col.1170) summed up the attitude of the House towards charities in general, and housing associations in particular:

"If one permits the lessee of charitable freehold land the right to buy, then one is in fact going against the very purpose for which the charities may have been set up- to help the less well off and those in need."

The amendment was carried by 157 votes to 77. It is clear that the House of Lords is not opposed to the right to buy per se, but its application to charitable associations. The new Bill offers tenants of associations deprived of the right to buy because of the exclusion of charities the money to purchase alternative accommodation on the open market. Lord Bellwin (Conservative), introducing this "right to exchange" [17] , stressed that it would create vacancies in association accommodation, offering middle income tenants the right to buy and poor people the prospects of rented accommodation. This clause was accepted by the Lords without division [18] . The Conservative Government is now paying considerable attention to the likely reaction of the House of Lords to its legislative proposals on housing associations, for, as noted by Brown, [19] at present "the upper chamber is the only place where the Government is likely to be defeated". It would appear that central government has not created a more malleable tool of housing policy.

Another factor which suggests that control of expenditure is not the main determinant of public housing policies is the fact that support for owner occupation does not involve savings to the exchequer, yet it has

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[17] Hansard Lords, Volume 449, col.195.

[18] The Times, seizing upon the willingness of the House of Lords to overturn legislation on this subject, urged the House to reject this clause on the morning of the debate; see Noble Tripwire, The Times, March 6th 1984, p.15. It was also opposed by Wolmar (1984).

[19] House of Lords Poses a Defeating Paradox for Labour, The Guardian, March 19th 1984, p.2.

been shown to receive all party agreement (see section 2.2, chapter 2). As Ball (1983, p.339-40) puts it:

"The most significant and well-known fiscal policy towards owner occupation is tax relief on mortgage interest payments. By 1981 the Treasury estimated that this relief cost £2,000m in lost tax revenue, which was equivalent to all the central and local government housing subsidies to council housing, housing associations, new towns, rent rebates and rent allowances put together."

The argument of English (1982b, p.188) is relevant here. Discussing Conservative preference for owner occupation, and their reluctance to stem the scale of income tax relief paid out, he notes

"The implication must be that an even greater priority is placed on the alleged advantages of owner occupation than on limiting the cost of housing to the exchequer."

This also suggests that a reduction of public expenditure is not the rationale for individual housing policies.

### 3.3 Organisational Explanations of State Support for Housing Associations

Another theoretical approach to explaining policy formulation is provided by organisational theory. Organisational explanations of the growth of government support of the association movement are dependent upon the question of the space standards and design of municipal housebuilding (management practices are discussed more fully in the following section, and in chapter 5). The importance of housing standards was recognised from the inception of the public housing programme.

As section 2.2 indicated, the municipal programme was initiated as a result of a legitimisation crisis over the issue of the quality and cost of working class housing. It was therefore politically necessary that public housing standards were high. The design standards of the garden city movement were adopted. As Swenarton (1981, p.187) observed



"It was crucial for the ideological function of the housing programme that the houses be indisputably better than working class houses of the past."

Conversely, the ideological importance of declining public housing standards is illustrated by Merrett (1979, p.57). When discussing Circular 1238/32 he observes

"Many of the estates built in the 1930s were to become the ghettos of the 1960s, in strong contrast to the housing approved under the full Wheatley subsidy."

A reduction of public housing standards relative to other tenures reduces the desirability of this form of accommodation. Do these arguments have any relevance during the period of Conservative support for the housing association movement? Dunleavy (1981) analyses the significance of structural factors in influencing the adoption of high rise housing by local authorities in the late 1950s and 1960s. He argues that the construction industry influenced local authority attitudes, and that local authorities in turn persuaded central government to include support of high rise in its commitment to system building. Dunleavy (1981, p.355) is in no doubt about the ideological implications of the experimentation with high rise housing.

"most significantly of all, the high-rise housing boom cast a sizeable blight on the public image of post-war council housing. The policy lent itself to an analysis in terms of the inherent inefficiency, bureaucratic indifference, and unresponsiveness of state intervention compared with market provision."

Dunleavy (1980, p.123) describes this as 'rationality deficit'. Local authorities were under pressure from the building industry to utilise system building, which was favoured by central government, to build high. In a period of ever increasing population projections this seemed to make statistical sense, but created a product disliked by tenants, and hence threw into question the very system which produced such an output. Dunleavy argues (1981, p.355) that this favoured private housing, but it is possible that the ideological damage done to council housing favoured all



other forms of provision which did not produce such an output, including housing association provision [20] . Indeed, Milton Wilkinson and Thurman (1981, p.133) implicitly compare the design of association accommodation favourably with that of owner occupied housing [21] .

Certainly, the creation of the Housing Corporation in 1964 coincided with central government's onslaught on the basis of high rise building (the housing cost yardstick penalised high building in 1963, and Circular 35/67 altered subsidies in a way which favoured low rise). In 1970 Dennis wrote his critical appraisal of 1960s comprehensive redevelopment policies in Sunderland. He concluded (1970, p.363)

"Instead of monolithic policies of clearance ... the problem at the present time in Sunderland seems to call for responses as heterogeneous as the problems."

The reaction against comprehensive redevelopment and municipal high rise building in the years before the 1974 Housing Act (which redirected housing association provision towards rehabilitation) was indeed strong.

Kirby (1981) suggests that an organisational focus is the only feasible explanation of state support for housing associations. He utilises the work of Dunleavy to argue that there is no feasible political or ideological explanation of the growth of the Housing Corporation. Rejecting any political explanation, Kirby argues that associations house the politically weakest and economically most marginal groups [22] . Furthermore, associations rely upon small building firms, unlikely to generate large profits, so there can be no economic objective behind their

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[20] This is a historically specific assertion. Ball, writing in 1983 (p.139), compares municipal housing quality favourably with owner occupied housing: "the finish on council projects is often to a higher standard. Better quality facing bricks are used, and far more expense is incurred on landscaping and shrubbery".

[21] Explaining why exchange professionals are reluctant to combine developments for owner occupation with association projects they note that "the architectural quality of many housing association developments makes them visually prominent and further emphasises their incongruity in an area where consistency of style and uniformity of tenure are held in great esteem".

[22] He provides no direct evidence for this assertion. See chapters 7 and 8 for empirical data on the tenants of housing associations.

promotion. Kirby (1981, p.1299) therefore turns to organisational explanation:

"Housing Associations, locally based organisations with the potential for close involvement in local housing needs, were encouraged by the state as a direct result of the weakness of local authority housing policies in the postwar period."

This approach implies a politically neutral rational (central) state reacting to inefficiency in local government. There are obvious flaws in this approach. First, as indicated above, central and local government are not completely autonomous from each other. Although the initial enthusiasm for high rise came from local authorities, central government subsidies specifically encouraged the construction of high rise housing. Central government can itself use past municipal performance as an argument for or against continued support of municipal house building (despite the fact that central government is largely responsible for the general nature of local authority activity). This provides an excellent example of the use of ideology, where central government significantly influences and then interprets as autonomous and undesirable, local authority activity. Although Kirby (1981, p.1297) identifies ideology as a potential explanation of housing policy, he fails to consider its application to housing associations. It is therefore wrong to argue that central government policy is merely reacting to local administration practices, and that there is no political or ideological motivation behind central government policy. Indeed, the analysis of public housing standards by Merrett (1979) and Swenarton (1981) imply that attraction and stigmatisation may have been deliberate policies of central government. Kemeny (1981, p.76) suggests that a

"fundamental prerequisite for the maximum expansion of the home-ownership sector is that the alternatives to it be as limited and as unattractive as possible."

Secondly, this analysis fails to explain why alternatives to municipal provision are sought when it is equally plausible to reform (by advice or legislation) the practice of local authorities.

Kirby's analysis is therefore over simplistic [23] . Whilst he is correctly sceptical of the validity of functional theories in explaining state support for housing associations, he totally ignores the significance of politics and ideology. There can be no 'rational' or 'neutral' choice between municipal and association provision. As Kemeny (1981, p.63) puts it, "current tenure preferences are the product and not the cause of tenure systems".

### 3.4 The Changing Political and Ideological Basis of Support for Housing Associations

So far only explanations of state housing policy which focus upon the economic intentions and consequences of policies, and the organisational implementation of policies have been considered. Both of these explanations to some extent seek to understand policy initiatives in terms of their effects, and as the consequences of earlier policies. Little analysis of contemporary policy focuses upon the role of ideology and politics in shaping central government initiatives. The remainder of this chapter re-evaluates policies towards housing associations since 1961, and argues that the actions of the Conservative Party and the Labour Party can best be understood in ideological terms, and that it is only in these terms that some semblance of consistency and contrast can be seen in their respective approaches.

#### **3.4.1 From Cost Rent to Rehabilitation**

When the 1961 Housing Act established an exchequer fund of £25m for use by housing associations, local authorities had been receiving subsidies and under a duty to provide for the housing needs of their area for nearly half a century. What caused the government to dramatically increase its support for the housing association movement? Henry Brooke M.P. (Conservative Minister for Housing), introducing the 1961 Housing Bill (Second Reading Debate, col.969) asserted that associations were intended

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[23] His theoretical rejection of alternative explanations in favour of an organisational focus (p.1297) occupies fourteen lines of text.

to be "mid-way between local authorities and private enterprise". This concern with distinctions of tenure and ownership goes a long way in explaining Party attitudes towards the housing association movement. Associations are privately administered, yet subject to government control through an unelected body. In the 1960s they received very little subsidy, yet from the 1970s the scale of subsidies has greatly increased. Associations can be perceived as being public sector institutions because they receive subsidies, or private sector institutions because they are privately run. It is precisely because of this ambiguous status that successive governments have been able to adapt the movement to meet their own needs.

The late 1950s marked a period of Conservative administration which emphasised non-government solutions to the housing needs of the population. In the words of Barnett (1969, p.71):

"The free market was the paper tiger of the 1957 Rent Act debates."

Barnett (1969, p.72) regards this as a primarily ideological position, for "the government revealed no clear conception of the free market, other than as a tag for its assortment of policy intentions". This was reflected in a reliance upon the private sector for new provision, and the belief that local authorities should only house "people who otherwise would not be able to house themselves" (Henry Brooke M.P., 2nd Reading Debate, 1961 Housing Bill, col.969). Local authorities have traditionally had considerable independence in determining their allocation policies, so central government could only indirectly ensure that local authorities housed the 'residual' needy. The most direct means available was a reduction of subsidies to local authorities and a reduction in the housing standards that they were permitted to provide. This made local authority accommodation less attractive. Furthermore, Barnett (1969, p.43) observed

"this withdrawal by the government would be possible only if the existing stock was brought up to and maintained in a good standard of repair."

One policy which sought to compensate for the withdrawal of support for local authority activity was that of seeking to revive the privately rented sector. The problem of private renting was perceived as one of insufficient supply caused by the low rental income permitted by legislation. Thus the 1957 Rent Act decontrolled many properties, and permitted large rent increases on properties remaining controlled. In order to fully curtail the attractiveness of municipalisation, older privately owned property needed private investment to prevent its physical decay. Thus the 1961 Housing Act introduced improvement grants. Whilst being administered by local authorities, and involving some public subsidisation, they only covered a part of the total costs of works and thus encouraged individual investment in housing. This accorded with the Conservative desire to promote non-government solutions to housing problems. Crucially, in a period of anti-collectivism, the asset remained private.

Even by 1961 it was clear that the 1957 Act was not fulfilling its objectives; the supply of privately rented housing in London was, if anything, reducing further (see, for example, McKay and Cox, 1979, p.126-7). Nevitt's analysis (1966) of property taxation and mortgage interest relief leads her to conclude (p.50) that "tenants who can move from rented accommodation to owner-occupation have a very strong economic incentive for doing so". As a result "the decontrol of rents is rather paradoxically the time at which we can expect the sale of dwellings to owner-occupiers rather than during the period of rent control" (p.116-7). Once rent levels start to rise, the taxation position of tenants renders purchase an economical move long before economic rents are reached. The 1957 Act failed to stimulate new provision, and led to the sale of much existing privately rented property. In order to absorb pressures for an increase in public provision of rented property, subsidies to local authorities were concentrated in areas of housing stress.

Finally, the 1961 Housing Act created an exchequer fund of £25m for making loans to housing associations. The 1961 White Paper, Housing in England and Wales, para.14, introduced the concept of what has become known as 'new style' housing associations to complement the traditional philanthropic housing trusts.

"the Government ... believe that there are people who would prefer to rent rather than buy a house and who would willingly pay an economic rent, if they could find what they wanted."

This comment is crucial. First, it allowed non-profit housing associations to be non-charitable (i.e. not cater for the poor) and still be eligible for government loans. Secondly, the intention was clearly to increase the stock of privately rented property. Thirdly, no subsidy was involved, and the scheme was intended to demonstrate the viability of investing in private renting, consistent with the government's view that the problems of private renting were supply led. Henry Brooke M.P. confirmed this attitude in the second reading debate on the 1961 Housing Bill (cols.969-970), when he suggested that by the time the advances reach the £25m limit

"I hope that the scheme will have done its work in defining the existence of a real demand for houses to let at non-subsidised rents and that by then other agencies will be able to take over the meeting of it".

Clearly these cost rent associations were intended to supplement and stimulate private entrepreneurs catering for middle income tenants, and were unlike the traditional philanthropic associations which could house poor tenants because of charitable finance (and charity law) and tax exemption. The intention of the legislation was that the **new style societies** would provide accommodation for mobile middle income earners who otherwise, because of the decline of privately rented accommodation, would have been forced to apply for council housing. The **philanthropic associations** would continue to house poorer people. This distinction between the two often became confused, particularly in the case of housing for the elderly. Circular 12/62 (Housing Associations in England and Wales) suggested (para.12) that such schemes may be appropriate for both philanthropic and new-style unsubsidised associations. Stack (1968, p.42) sums up a general confusion of role experienced by many associations at the time, when discussing provision for the elderly:

"It is not clear under present circumstances whether providing housing for the elderly by housing associations should be



regarded as a social service (receiving financial support from the community at large), or as basically an economic operation which meets the needs of a certain group of consumers who are able to pay the price asked."

The new exchequer fund did not involve local authorities in the process of assisting associations, and the old system of authorised arrangements between a local authority and an association was extended to permit authorised arrangements between the Minister of Housing and an association. This excluded local authorities from the process of supporting housing associations. Dame Evelyn Sharp (then Permanent Secretary to the Ministry of Housing and Local Government) said of the association movement in 1961, "the essence of what we are creating is a movement independent of Government" [24] . Since the Conservative Government was promoting associations as private institutions some distancing of the movement from local authorities was clearly considered necessary. Since the scheme was intended to attract private finance, it may have been necessary to strengthen their private sector, entrepreneurial image.

It is not surprising therefore that some Labour MPs became suspicious of the Conservative Government's attitude toward the municipal programme implicit in these policy changes. Michael Stewart M.P. (Labour) (Standing Committee D, 1961 Housing Bill, cols.32-33) commented

"It is an important principle that when anything is provided wholly or substantially from public funds, the management of that thing ... ought to be in the hands of elected persons."

If this is an oblique defence of local authority housing provision against the use of housing associations, Michael Stewart M.P. was more explicit in the second reading debate (Hansard, Second Reading Debate, 1961 Housing Bill, col.990):

"I still believe that the best judge of need is the elected

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[24] Quoted by Joyce Butler M.P., Standing Committee E, 1963 Housing Bill, col.11.



local authority, which has a range of information about the conditions in its area that is not open to any private body, however diligent and public-spirited."

Clearly, some MP's appreciated the possibility that these new style associations, although apparently catering for people quite distinct from council tenants, could come to pose a threat to local authority activity. Charles Loughlin M.P. (Labour) (Standing Committee D, 1961 Housing Bill, col.50) observed,

"It may be that the intention is to redesign the part taken in the general housing of the people by local authorities and to put the emphasis on associations of one kind or another as distinct from local authorities."

This line of argument was so widespread amongst Opposition MP's that the Conservative Minister for Housing (Brooke) responded (Standing Committee D, 1961 Housing Bill, col.116) "I am not introducing a Bill designed to cut down local authority building".

The Conservative Government reinforced these policy initiatives in 1964. The £25m exchequer fund was rapidly allocated, and to maintain momentum new proposals were considered necessary. Circular 41/64 provides evidence of this:

"The existence of a lively demand for new houses at cost rents has been clearly demonstrated by the success of the pilot scheme provided for in section 7 of the Housing Act 1961. £25 million was set aside under that section to be used for advances to housing associations providing houses to let at cost rents and for co-ownership. With the help and advice of the National Federation of Housing Societies, all this money has been firmly committed." (Para.6)

Paragraph 7 concludes that the new Housing Corporation should assume responsibility for continuing this form of provision. The Central Housing Advisory Committee (1971, para.3.4) also noted the success of the 1961 experiment, and observed that the money made available under the pilot scheme of 1961 "was rapidly taken up and was very nearly all committed by

the end of 1963". The White Paper Housing (Cmnd.2050, para.37) stated that:

"The Government propose to establish a Housing Corporation with the function of stimulating the development of housing societies which will provide and manage rented houses, or houses on a co-operative basis. The aim will be to secure the formation of strongly organised societies operating (with paid staff) in the main centres of population, each capable of undertaking a series of building schemes and managing a substantial number of dwellings."

The 1964 Act created the Housing Corporation to oversee the activity of housing associations. Section 1(1) of the Act defined the function of the Corporation as being to

"promote and assist the development of housing societies, to facilitate the proper exercise and performance of the functions of such societies, and to publicise, in the case of societies providing houses for their own members no less than in the case of those providing homes for letting, the aims and principles of such societies."

Sir Keith Joseph M.P. (Conservative Minister for Housing and Local Government), explaining the Bill, commented (Standing Committee E, 1963 Housing Bill, col.36):

"the Housing Corporation is intended to provide positive evangelical drive and guidance behind a considerable expansion of the housing society movement."

In effect this merely institutionalised the system of lending money to associations without involving local authorities. The Corporation is an example of a quasi-autonomous 'governmental body' (see Doig, 1979). A central department exerts administrative control over its operations, but a Minister is not normally held accountable for its actions. Thus, rather than an exchequer fund being allocated directly from the Ministry, a relatively independent body was to take over the duty. It is worth pointing out that, at this stage, very few regulations over the activity of the Housing Corporation and its evaluation of housing associations were

forthcoming. This has the appearance of ad hoc policy formation, displacing the influence of local authorities at the expense of the creation of a body with few sanctions over and little knowledge of housing associations (the 'register' was created by the Labour Government some ten years later). Harold Lever M.P. (Labour) (Standing Committee E, 1963 Housing Bill, col.48) accused the government of "producing the legislation first and thinking afterwards". The reason for this move was once again the desire to distance associations from the traditional organs of government.

One innovation was the new definition of a housing 'society' in section 1(7), and implicit in section 1(1) above. This created the co-ownership association, where the tenants would ultimately acquire an equity holding in their property. This move was an attempt to reinforce the 'private sector' nature of the government experiment by attracting building society finance. In 1962 Waddilove (1962, p.144) had argued that the "possibility of raising capital from private sources for housing associations in the foreseeable future seems hardly worth considering". The 1964 Act attempted to change this; as the White Paper, Housing (1963, para.39) put it, "the expectation is that the greater part of the money required by the housing societies will come from the building societies and other private sources". In addition to hoping to involve building society finance by creating housing with a significant equity holding, this move may have already reflected the decreasing desirability of cost renting in a period of rising interest rates. M'Kenzie-Hall (1971, p.36) observes that this put cost rent "out of the reach of most of the medium wage-earners". Co-ownership was thus a desirable alternative, creating individual ownership at little extra cost.

This move was therefore considered necessary because, despite continued protestations about the demonstrative nature of the project for private enterprise, private finance had not been forthcoming. Sir Keith Joseph M.P. (Conservative Minister for Housing and Local Government) summarised the arguments in Standing Committee E (1963 Housing Bill, col.307), when he stated that "private enterprise is not fully responding to the need" for privately rented accommodation, and (col.308) that he hoped that by the sensible deployment of the Act "private enterprise can return to this

market with their badly needed initiative, management and money". [25]

The 1963 White Paper, Housing (para.33) established likely tenants consistent with the private sector image of the policy:

"Post-war housing has almost all been either for owner occupation or for letting by public authorities. Hardly any provision has been made for those- the younger salaried people and high wage-earners -who may not yet be able to buy a house on the ordinary mortgage terms, or who may prefer to rent, although neither wanting nor needing a council house."

The objective was new provision to supplement the higher end of the privately rented market. This was emphasised by Frederick Corfield M.P., Parliamentary Secretary to Sir Keith Joseph (the Minister for Housing and Local Government) (Standing Committee E, 1963 Housing Bill, col.251) when he "envisaged ... that the main function of the Corporation, and indeed of the housing societies, will be to build new houses and not to take over old ones for conversion". The emphasis on new property and the middle income tenant was repeated by Sir Keith Joseph M.P. in the second reading debate (Standing Committee E, 1963 Housing Bill, col.485);

"There are ... those who, while they are quite ready to pay more than a subsidised price, are not quite able to manage to buy a new house of their own, but who want the advantages of a new house."

The Labour Party remained suspicious of a move which threatened to create a quasi-private sector competitor to local authority housing departments. These new style societies threatened to attract middle income earners away from council housing, resulting in a social polarisation between tenures, where the wealthy buy or rent from a society, and the poor rent from a local authority. Furthermore, the possibility of subsidies, rather than loans, being granted to societies by central government

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[25] This situation was unchanged in 1971, when C.H.A.C. (Housing Associations, para.3.28) noted: "The expectations of an increasing investment in housing societies by building societies and other private sources have not been realised."

threatened to usurp the role of local authorities. Frank Allaun M.P. (Labour) (Standing Committee E, 1963 Housing Bill, col.28) questioned whether government money should be given to such quasi-private bodies:

"we are providing in the Corporation a sort of godfather to associations which are, or may be, creating private rights. My query is whether it is right to spend public money and effort on this sort of enterprise."

This attitude probably reflected a view shared by many Labour local councils that assistance, if it is to be given, should be given to traditional associations which, because of their charitable status are obliged to house poor tenants, not co-ownership associations creating private rights.

Indeed, the first indications of a significant policy change towards the role of housing associations occurred in 1967 when the Labour Government passed the Housing Subsidies Act. This Act was mainly concerned with financial arrangements for local authorities, however, section 12 strengthened the role of associations in rehabilitating older property by including the cost of acquiring properties in subsidy calculations. Significantly, the Labour Government did not apply this provision to local authorities until section 18(2)(b) of the 1969 Housing Act gave them similar subsidy arrangements [26] . Clearly the Labour Party was considering the desirability of rehabilitation, and the use of associations for this purpose. Furthermore, such work would be more suited to the traditional associations, rather than the new style associations providing new building. Any policy which encouraged the type of work undertaken by traditional associations would have been welcomed by the Labour Party, in view of its hostility to new style cost renting for middle income earners. The 1969 Act also created the system of general improvement areas, and many local authorities were eager to use housing associations in these areas. The encouragement given to Shelter in

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[26] Section 21 continued the powers granted by section 12 of the 1967 Act.

Liverpool is a well known example (see Plumridge, 1970) [27] .

In 1971 the Central Housing Advisory Committee published Housing Associations. [28] The report clearly reinforced the view of traditional associations as catering for special needs (para.2.4) and more generally, "setting out to provide accommodation for the sort of people who would become council tenants" (para 1.4). New style associations are described (para.1.4) as setting out "to meet a demand for rented accommodation by those who are able to pay what it costs, such as younger salaried people and the higher wage-earners". More specifically, cost renting is described (para.3.1) as providing a substitute for the entrepreneurial landlord, accommodating tenants who do "not need or could not expect help from public funds", such as the employed and mobile, and certain groups marginally failing to meet the requirements for access to a mortgage. Co-ownership is perceived (para.4.3) as a financial alternative to conventional ownership for "better paid skilled workers, lower management grades, young professional people and small traders".

The report stresses the flexibility of traditional associations to meet various housing needs (para.2.4). This is hardly surprising in view of earlier criticisms of local authority inflexibility made by the Central Housing Advisory Committee (Council Housing, Purposes, Procedures and Priorities, 1969).

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[27] See also Shelter (1972), which makes it clear that the Liverpool Shelter Neighbourhood Action Project pushed its work beyond the scope of the legislation. This may have influenced the nature of the improvement legislation subsequently implemented.

[28] Table 3 on p.21 reveals the distribution of local authority assistance to associations in 1970 as follows: for new building £6.326m, for acquisition £16.144m, and for improvement £3.681m. This indicates that many local authorities were using associations as an alternative means of securing 'municipalisation' (acquisition comprising the largest share of their assistance). It could be argued that local authorities hoped that central government finance would be used for the rehabilitation (for this comprised the smallest share of local authority assistance). Another interesting observation in the report (para.3.41) is the declining viability of cost rent associations, relying as it does implicitly upon arguments outlined by Nevitt (1966).



In 1971 the Conservative Government produced the White Paper Fair Deal For Housing which suggested changes to the financial position of associations which crucially affected their relationships with local authorities. One influence was a recommendation in the White Paper that where local authorities provided financial support for housing associations they should retain nomination rights for at least 50% of the dwellings provided (para.78). Nominations were not a wholly new idea. The appendix to circular 58/54 [29] was a standard form of agreement between a housing association and a local authority. Paragraph 3 of the appendix states

"In selecting tenants the Association shall, so far as the objects of the Association allow, give effect to any nomination of suitable persons made by the Council in relation thereto."

Although Circular 73/67 [30] says of nominations (para.5)

"While it is important to ensure that the benefit of subsidy goes to those who need it ... For the authority to nominate tenants for all vacancies can destroy the whole point of an independent association."

Stack noted in 1968 (p.38) that

"By now the assumption that the authorised arrangements involve some share in tenancy nominations has become part of the conventional wisdom relating to the partnership between local authorities and housing associations."

This 'conventional wisdom' related only to authorised arrangements under which subsidy was transferred to an association through a local authority. It did not apply to any scheme supported by the Housing Corporation at that stage, for no subsidy was involved in this process. The formal application of nominations to schemes involving local authority assistance and Corporation finance represented a dramatic contrast with earlier Conservative policies which had introduced central financing of

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[29] Housing Repair and Rents Act 1954: Section 33

[30] Subsidies for Housing Associations

new style associations catering for middle income tenants. Allowing local authority nominations reintroduced local government influence. If local authorities were to nominate tenants then presumably they would be selected from amongst their waiting list applicants. It could be argued that the Conservative Government was seeking to encourage local authorities to assist traditional associations (the only type to house people akin to council tenants according to C.H.A.C.).

Another influence upon local authority attitudes to associations was the compulsory application of fair rents and rent allowances to traditional but not new style associations [31] , making their position consistent with the privately rented sector (where they had first been applied in 1965). It further reduced the role of local authorities in supporting associations as local authorities had previously had some influence on the rents charged by associations; see C.H.A.C. (1971, para.2.13). It also brought associations in line with proposals for local authorities. It could be argued that by providing more consistency in the practice of all renting tenures the Conservative Party was preparing the ground for later policy changes towards the role of associations and local authorities.

The 1972 Housing Finance Act centralised subsidy arrangements and created the 'new build subsidy', and any shortfall in rents could be made up through this mechanism. At this time the subsidies were relatively small. However, fair rents and rent allowances were very significant to local authorities contemplating assisting an association. This was because assistance in placing a poor tenant in association accommodation meant that the tenant would automatically receive a subsidy through the allowance system (which did not yet apply to all of the privately rented sector, and was difficult for tenants to obtain if their landlord was uncooperative). Furthermore, if the local authority offered information and advice to an association, the Corporation might be tempted to allocate some of its new build subsidy to the association. If the authority also

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[31] Section 81(1) and 104(1) achieve this. In particular, section 104(1) defines housing association for the purposes of the 1972 Act as excluding associations with restricted membership.

secured nomination rights by contributing to the project, this clearly represented a means of expanding 'publicly controlled' provision at relatively little cost to the authority.

At the same time the Labour Party confirmed its preference for rehabilitation (as manifest in section 12 of the 1967 Act). In the second reading debate on the 1971 Housing Finance Bill (Standing Committee E, col.62) Anthony Crosland M.P. (Labour) supported assistance to housing associations which were "improving and rehabilitating older property which otherwise would disappear out of the reach of low income families". This sudden change of attitude [32] was based on the desire to use associations as an alternative to municipalisation (which had been ruled out because of cost and political sensitivity in 1963). Anthony Crosland M.P. confirms this in the second reading debate on the 1974 Housing Bill (col.48), when he asserts that associations "also have a role in the extension of social ownership of rented accommodation". Short (1982, p.190) comments of this period that

"In the hastily constructed 1974 Housing Act, initially prompted by the electoral promise to repeal the controversial 1972 Housing Finance Act, the Labour government endorsed the increased emphasis on housing associations. This action may seem strange, given Labour's historic commitment to local authority housing, but it is even stranger when we consider that many reports and studies had shown housing associations to be inefficient, some to be corrupt, and in general they provided no real basis for an attack on inner-city housing problems."

This comment displays little understanding of the subtleties of the situation. By using associations more to rehabilitate than provide new building the Labour Party may have perceived several advantages. First, it would exert public influence, however imperfectly, over improvements to the privately rented stock. To this end Labour members wanted a register

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[32] Contrast this with the suggestion of Anthony Crosland M.P. (Labour) (1977, p.7) that local authorities "should accept a wider and ultimate responsibility for the total housing situation in their localities".

of approved associations in order to exert more control. For example, John Horam M.P. (Labour), (Standing Committee E, 1971 Housing Finance Bill, col.3813) said,

"we should like a register of housing associations to be established by the Housing Corporation, which is the only appropriate statutory body to do this, in order that only housing associations which have the best of motives and are being run the proper way receive Government subsidies."

Secondly, rehabilitation might help to ensure that associations began to house poorer tenants generally. The Milner Holland Report was published in 1965, and Appendix 5 indicated the relative poverty of controlled tenants. Rehabilitation work acquiring privately rented property might assist some of these tenants. To the Labour Party this might legitimate existing subsidies allocated through the Corporation, and could even be used to justify an increase in subsidies. Finally, it would achieve this using a Conservative creation, which might serve to further legitimate the 'public' improvement of privately rented property [33] .

During 1973 Conservative policy also signalled a switch away from association newbuilding towards association rehabilitation in areas of housing stress. This may be because associations retained an image of private sector initiative, and because they were subject to fewer pressures from the local electorate. They were thus a more responsive tool for the implementation of central housing policy, being subject only to control from a government appointed body. Further, the types of unsubsidised associations encouraged by the Conservatives in the 1960s were well geared to housing 'deserving' tenants; a task to some extent performed by local

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[33] In contrast, Ball (1983, p.363) describes renovation as "a cheap way of putting off a housing crisis". It has already been shown that housing associations receive subsidies similar to those given to local authorities, so the cheapness of the exercise may be questioned. As usual, the distinction made by Ball is really between local authority provision and owner occupation (the latter may induce do-it-yourself work to cut the costs, and does not create a 'public' asset).

authorities in the 1950s [34] but which the Conservatives clearly thought unsuitable for them in the 1970s. This would further residualise the role of local authorities.

Thus the crucial differences between the attitudes of the two Parties were based upon different perceptions of the desired allocation priorities of associations and the relationships between associations and government [35] . The growing dissatisfaction with the comprehensive redevelopment practiced by many local authorities in the late 1960s led both Conservative and Labour to increase their support for housing associations [36] , though for fundamentally different ideological reasons; the Conservatives as an attack on municipal provision in general, and Labour as a more flexible tool for extending public ownership (see also section 3.3 on this point).

This convergence of proposals is reflected in the Conservative White Paper of 1973 (Widening the Choice: The Next Steps in Housing, para.37), which clearly parallels Crossland's comments on the 1971 Bill:

"The Government ... believes that additional help towards the acquisition and improvement or conversion of older dwellings by housing associations is necessary to enable them to make a greater contribution towards solving the problems of older housing, especially in areas of housing stress."

This is a new attitude towards solving the problems of the declining privately rented sector, and is explicitly stated in paragraph 5(c).

"The Government will expand the role of the voluntary housing

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[34] See Gray 1979, in Merrett, p.201, where it is argued that "the income characteristics of local authority tenants have undergone drastic changes, from being biased away from the lowest income groups in the mid 1950s to strongly emphasise this very group twenty years later".

[35] See chapter 5, where this is developed.

[36] The Liberal Party also responded in this way. Its first 1974 election manifesto, Change the Face of Britain, expressed policy commitments to concentrate "on housing associations wherever possible, rather than on wholesale demolition", and to give "greater financial encouragement and responsibility to Tenants' Co-operatives and Housing Associations" (The Times Guide to the House of Commons, 1974, p.322).

movement as a provider of rented housing, particularly where the decline of the private rented sector has created severe problems."

Clearly, this approach to improving decaying privately rented property is far removed from earlier Conservative policies, which sought to provide new building to supplement the privately rented sector and encourage new forms of ownership. As such, this marked a convergence of Conservative and Labour policies towards associations. Indeed, the Conservative Housing and Planning Bill 1974 was virtually indistinguishable from the later Labour Housing Bill and Act of the same year (this explains why the Labour Opposition only forced a division on an amendment to the Conservative Bill, and not on the Bill itself; see Second Reading Debate, 1974 Housing and Planning Bill, col.1173).

The 1974 Act placed a duty upon the Housing Corporation to maintain a register of approved housing associations. Only registered associations were to be eligible for central subsidies. This allowed the Corporation to exert more direct influence over association practices. The subsidy system was changed by the Act, with the 'housing association grant' replacing the new build subsidy, switching the emphasis from new building to the commencement of a project. The Act created the system of housing action areas, with housing association grant being more forthcoming in these areas (Circular 170/74, para.34).

Both legislative proposals included the establishment of housing action areas, increased support for associations therein, and the creation of the 'register of housing associations' at the Housing Corporation. Despite these obvious similarities between the Conservative Bill and the Labour Act, Conservative opposition to some elements of Labour policy became manifest. This is a reversal of the position of the two Parties on the 1961 and 1964 Acts, where the Labour Opposition was hostile to the nature of Conservative support for the association movement. The current Prime Minister, then Secretary of State for Education and Science, Margaret Thatcher M.P. observed (Second Reading Debate, 1974 Housing Bill, col.64)

"In his speech on the previous Bill from this Dispatch Box the



right hon. Gentleman [Crosland] appeared to see the Housing Corporation as a great public enterprise housing authority, and we naturally fear that he will use it for that purpose."

Considering the similarities between the two sets of policies, this accusation is, at first sight, somewhat surprising. Conservative apprehension appears to have related to a fear of the way in which the Labour Government might interpret the very flexible legislation [37] ; a belief that increasingly large subsidies were going to be permitted by the Labour Government, and that these would be directed towards poorer tenants, tenants more suited to council housing than the target groups of the newer associations. Both of these tendencies would threaten the Conservative's ideological anti-municipal use of housing associations.

This view is supported by Harloe, Issacharoff and Minns (1974, p.78) writing in the same year. The Conservative controlled Greater London Council supported associations for precisely the reasons that the Conservative Party did:

"The GLC's interest in housing associations arose from its concern to increase the part played by private enterprise and other non-council institutions in the housing market."

Thus assistance to associations was consistent with Conservative support of private institutions. This helps to explain why the Conservative Bill included a clause permitting the Secretary of State for the Environment to direct a local authority to sell land owned within a housing action area to a specified housing association (clause 41), and

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[37] Both Bills contained provisions allowing the Housing Corporation to subscribe to shares in subsidiary companies. Once in the hands of the Labour Government, the Conservative Opposition realised how different its implementation could be. Cecil Parkinson M.P. (Conservative) (Standing Committee B, 1974 Housing Bill, col.83) said "we are creating a body to which we shall make available about £750 million. One could do quite a lot with that if one put one's mind to it. One could buy a large number of major companies in the building industry and still not make a dent in that sum".

why the Labour Act omitted this clause [38] .

Clause 41(4) of the Conservative 1974 Housing and Planning Bill stated:

"A local authority shall comply with any direction given to them by the Secretary of State requiring them to dispose of any housing land-

(a) to a housing association which is specified as mentioned in subsection (3) above, or

(b) where no housing association is so specified, to a registered housing association named by the Secretary of State or to the Housing Corporation,

and any such direction may specify a period within which the disposal is to take place."

Clause 41(3) reinforced this:

"Except with the consent of the Secretary of State, a local authority may not dispose of any housing land unless the disposal is to a registered housing association which, under section 34(5) above, is specified in relation to the housing action area concerned for the purposes of this Part of this Act."

Since the Conservative Party perceived associations as quasi-private, they wanted local authorities to be subordinate to them, and clause 41, if used often, would have achieved this. Although the Conservative Opposition did not force a division on the Labour Bill in the second reading debate, Sir Peter Emery M.P. (Conservative) proposed an amendment to the Labour Bill in Standing Committee (B, 1974 Housing Bill, col.208) which would have had the effect of reintroducing the Conservative clause. In response Gerald Kaufman M.P. (Labour) (col.209) made the position perfectly clear:

"I found attractive all features of the contribution of the hon. member for Honiton (Mr. Emery), except his support for the

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[38] This issue is discussed further in section 5.3, chapter 5. These ideological attitudes towards the proper role of local authorities have considerable implications for the types of housing association activity desired.

amendment; which I am afraid I cannot accept for reasons, I am glad at last to be able to say, of ideology."

Gerald Kaufman M.P. (Labour) later underlines the difference of principle involved (Standing Committee B, 1974 Housing Bill, col.210):

"The effect of the hon. Gentleman's amendment would be to restore some, if not all, of the provisions of the Housing and Planning Bill, which sought to give a more favoured role to registered housing associations in housing action areas than we think appropriate and those our new Bill provides for."

Geoffrey Finsberg M.P. (Conservative) (col.231) demonstrates the hostility to municipal activity implicit in the Conservative proposals by suggesting that

"A future Conservative Government may decide to legislate to compel local authorities to dispose of all properties that they have acquired, other than properties they have built themselves, to housing associations or to a new housing corporation."

This is a clear example of what Raynsford (1980, p.14) describes as "an ideological preference for private or 'voluntary' rather than State initiative". Clearly, the Labour Party realised the threat to local authority activity implicit in the Conservative proposal and Kaufman's comments reflect this. Any Labour policy which brought associations more into the realm of government controlled bodies compromised the ideological stance of the Conservative Party. Furthermore, it left practically no truly private sector solution to the problems of the still diminishing privately rented sector.

Anthony Crossland M.P. (Labour Secretary of State for the Environment) reflected Labour's aspirations for a newfound public sector orientation

for housing associations in May 1974 [39] :

"There is ... an important role for voluntary housing. First in bringing new resources to bear on the worst areas of housing stress by the acquisition and improvement of existing property ... Second, there is a desperate need for additional accommodation for renting at prices which the less well off, in particular, can afford ... Third, there is a need for specialist housing."

Having satisfied itself that associations could be transformed into 'quasi-public sector' bodies the Labour Government increased allocations to the Housing Corporation. In 1975/76 it allocated £307m (1981 prices). By 1979/80 [40] this had steadily increased to £411m. This increase in allocations was dramatically reflected in association completions. From 1945 to 1963 associations completed an average of 2,653 dwellings per annum (see table 3.1). During the period from 1964 to 1973 this had risen to 6,131 per annum. Following the 1974 Act the rate of completions nearly trebled to 16,340 per annum from 1974 to 1979. Furthermore, the switch to rehabilitation was dramatic (see table 3.3). In 1974/75 rehabilitation tenders amounted to only 0.1% of total association tenders. By 1978/79, when the Labour Government fell, rehabilitation comprised 51% of tenders. The election of a Conservative Government changed this trend little. By

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[39] In his address to the Annual General Meeting of the National Federation of Housing Associations. See Voluntary Housing, volume 6 no.2 (1974), p.8-9. The quotation is from N.F.H.A. (1978a, p.2). Not all Labour M.P.s shared this optimism. Frank Allaun M.P. (Labour) (1974) makes several criticisms of associations, including their lack of accountability, despite the provisions of the Labour Housing Act of the same year.

[40] The Labour Government fell in May 1979. Tender figures for 1978/79 reflect their last full year in power, and expectations of allocations to be made in the following year. It is reasonable to assume that expenditure during 1979/80 is also representative of the Labour Government, as the financial year had already begun before the general election, and much of the expenditure of the rest of 1979/80 was committed under the Labour Government.

1982/83 rehabilitation tenders had stabilised at around 50% [41] .

TABLE 3.3 Housing association activity: rehabilitation  
as a percentage of total tenders and completions.

	Tenders	Completions	Government
Year			
73/74	0.0	0.0	Conservative
74/75	0.1	13.8	Labour
75/76	3.1	6.2	Labour
76/77	20.7	12.0	Labour
77/78	44.5	23.8	Labour
78/79	50.9	45.4	Labour
79/80	54.0	38.1	Conservative
80/81	58.4	38.5	Conservative
81/82	50.5	41.7	Conservative
82/83	51.5	56.7	Conservative

Source: Annual Report of the Housing Corporation 1982/83.

Derived from Appendix II, Table 4.

### 3.4.2 The Role of Housing Co-operatives

These differing views of the legitimate role of association activity, and the relationship between associations and local authorities are reflected in interpretations of the role of housing co-operatives. The

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[41] Although in 1983 the N.F.H.A. observed (1983, p.10) that "Recently the balance of the Movement's programme through the Housing Corporation has shifted slightly away from property acquisition and rehabilitation". Table 3.3 certainly questions the assertion of Ball (1983, p.363) that urban "rebuilding has been associated with council housing, the switch to a policy of renovation principally with owner occupation". Indeed, his book completely ignores the work of housing associations. Their work should not be underestimated. Jones (1980b, p.9) observes that "although associations owned less than eight per cent of all HAA dwellings, they had completed over one third of all HAA improvements".

Final Report of the Working Party on Housing Co-operatives (1975) defined a housing co-operative (para.1.15) as a housing society where a departing member receives nothing more than the value at par of his shareholding in the society. It goes on (para.1.22) to suggest that co-operatives represent "a highly desirable departure from traditionally remote and depersonalised forms of housing management". [42]

Clearly this is also open to differing interpretations. The Conservative anti-municipal reaction to this has been to suggest that the tenants of council estates should take over responsibility for the management and routine maintenance of their estates, possibly saving the exchequer money [43] . As Circular 8/76 (para.8) puts it

"Particularly at a time when it is important to use managerial and financial resources more efficiently, and not increase rate or subsidy costs unduly, the introduction of co-operative schemes could be a means of bringing additional personal resources into housing. However, in present circumstances local authorities should go ahead only if they are satisfied that they can do so without incurring an overall addition to financial, manpower or other resource costs."

This would have the effect of reducing the responsibilities of local authorities, and the idea of deliberately creating housing where the tenants have no financial share was opposed by the Conservatives. Indeed,

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[42] Paragraph 1.15 describes three situations; where a departing member (i) receives nothing more than the value at par of his shareholding in the society, (ii) receives part or all of the amount of the mortgage that he has redeemed, (iii) receives part or all of the gain in the value of the dwelling he has occupied. According to the Working Party, only the first constitutes a housing co-operative, the others being varieties of co-ownership. It is ironic that local authorities should consider turning to contemporary housing association practices for guidance on co-operatives considering their indebtedness to the movement for the 'restrictive' management practices complained of. See Gallagher (1982, p.140-1) who notes that "the first government advice to the new local authority landlords in the 1920s was based on the experiences and ideas of philanthropic housing management."

[43] See Michael Heseltine M.P. (Conservative), Second Reading Debate, 1980 Housing Bill, col.1454: "Some tenants will want to ... take full responsibility for their own management by setting up a management co-operative, and I encourage this where possible".



Conservative suspicion of housing co-operatives dates back to at least 1964, when their legislation introducing 'co-ownerships' described them as 'co-operatives' [44] . The Conservative Party refused to publicly acknowledge the fundamental distinction between co-operatives and co-ownerships until the publication of the Working Party Report on co-operatives in 1975. At first sight this is somewhat surprising. Hadley and Hatch (1981, p.96), in their critique of centralised state administration, praise the efforts of housing co-operatives.

"Most accommodation provided by housing associations conforms closely to the standards set for local authorities and is managed in a conventional way. However, within the voluntary field a number of housing co-operatives have come into existence, and the flexibility of some housing associations has enabled them to make a special contribution in accommodating groups with unorthodox needs."

If the Conservative Party wished to reduce central controls and increase local freedom [45] , one would have expected stronger support for the concept of housing co-operatives. Such support was not forthcoming because of the Party's commitment to tenures with tenant equity, which is inconsistent with the concept of co-operatives as it has developed in the United Kingdom.

The Conservative attitude towards co-operatives has been seen as an attack upon municipal provision by Labour, who instead suggested that new associations be established with the objective of co-operative management so that all potential tenants are aware of the issues involved and are free to demonstrate their willingness to participate in collective management.

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[44] Joyce Butler M.P. (Labour) was quick to spot the significance of this loose definition, and in 1963 (Standing Committee E, 1963 Housing Bill, col.8) remarked that co-ownership is "a rather coy expression derived, presumably, to avoid talking about co-operative housing".

[45] See Heseltine, 1979, Why We Must Curb the Bureaucrats, Sunday Times, December 19th, page 16.

Co-operatives were statutorily defined for the first time in Schedule 1 (para.9) of the 1975 Housing Rents and Subsidies Act as being "a society, company or body of trustees for the time being approved by the Secretary of State for the purposes of this paragraph". [46] This totally circular definition was strengthened in 1980 by section 2(3) of the Housing Act. [47]

As with most debates on the role of housing associations in this country, the debate on co-operatives focused mainly upon tenurial distinctions, rather than management practices (or production). Ball (1983, p.352) comments that

"With virtually no exception since the end of the First World War the politics of housing in Britain have been based on housing tenure and the relative roles that each tenure should play."

Christiansen (1982) has produced a scale of increasing participation by tenants: starting with regulation by the landlord, participation increases through consultation and persuasion, to a working partnership with tenants having voting rights, then constrained self-government, and finally full co-operative with common ownership and control. In Christiansen's four case studies only one situation approximates to that of a full co-operative. Bearing in mind the Conservative rationale for local authority sponsored co-operatives, it is significant that it is the only case where the association was initiated by active individuals, and not a local authority. Furthermore, Ash (1982b, p.138) is reduced to noting the existence of tenant associations with voting rights as an example of participation in association management. This only reaches the mid-point of Christiansen's scale, and Ash herself (1982b, p.138) observes that voting rights are not a sufficient criteria for assessing the scale of participation. Clearly co-operatives represent an innovative departure from traditional management styles and an activity distinct from common

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[46] Where a co-operative undertakes duties normally undertaken by the local authority it can receive exchequer subsidy through the local authority; Schedule 1, para.9(6).

[47] Section 2(3) defined co-ownerships, and clearly distinguished them from co-operatives, along the lines suggested by the 1975 Working Party.

municipal practice. There are few examples of successful co-operatives however. Housing Corporation circular 3/78 [48] (para.21) recognises inadequacies in the extent of tenant participation and suggests methods for increasing participation, such as the formation of tenant associations, the appointment of tenant representatives on boards of management, consultation with tenants on matters such as design and management, and the delegation of management to tenants. In any event, even successful co-operatives cannot hope to achieve the level of tenant involvement experienced in countries with a tradition of producer and consumer co-operatives (see Savill (1982); in Sweden the tenants are even involved in the rent setting process).

### 3.4.3 The Conservative Return to the Private Sector

When the Conservatives were re-elected in 1979 they displayed a marked decline in enthusiasm for their quasi-private creation [49] . It could be argued that this reflected their suspicion of the types of people being housed as a result of rehabilitation work, and the increased subsidies allocated by the previous Labour Government. Their first housing legislation, the 1980 Housing Act, merely applied new controls to housing associations, and turned back to the privately rented sector proper for the solution to its own ills. Michael Heseltine M.P. (Conservative) introduced the Bill (Second Reading Debate, cols.1444-5) as an attempt "to reverse the trend of ever increasing dominance of the State over the life of the individual".

There is ample evidence to suggest that the new Conservative Government was ready to finish with their experiment with rented housing. Margaret Thatcher, Conservative Prime Minister, expressed the mood of the Party in

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[48] In the Public Eye.

[49] The attitude of the Liberal Party remained consistently in support of the movement. Their 1979 election manifesto, The Real Fight is for Britain, stated that "Housing co-operatives and smaller locally-based housing associations, which should be run democratically, should be encouraged" (The Times Guide to the House of Commons, 1979, p.318).

the debate on the Queen's Speech [50] thus:

"We will give to every council tenant the right to purchase his own home at a substantial discount on the market price ... This will be a giant stride towards making a reality of Anthony Eden's dream of a property owning democracy."

Michael Heseltine M.P. (Conservative Secretary of State for the Environment) extended the argument to a more general antipathy towards leasehold [51] :

"Too many of our people are forced to accept the restrictions of tenancy. We are determined to give them the freedom and opportunity of freeholders."

Indeed, such is the vigour with which this aim is to be pursued that Michael Heseltine M.P. saw the policy as "no less than a framework for a social revolution" [52] . This appears to be more of a moral than an economic policy in the eyes of the Conservative Government. As Forrest (1984, p.47) puts it, recent Conservative policy on council house sales "reflects an ideology of state provision which is concerned with rewards for individuals rather than for social groups" (emphasis added). People who opt for individual solutions to their housing needs are accordingly to be rewarded.

The controls on associations imposed by the 1980 Housing Act related to the auditing of accounts by the Corporation (s124); the payment of money to committee members of associations (s126); and the publishing of association allocation priorities (s42). Furthermore, the Act created the Grant Redemption Fund, by which housing association grant would ultimately be repaid (s131).

The return to support of the private sector proper involved reducing the period between rent reviews by the rent officer (s60); the creation of the system of protected shorthold tenancies (s52); and the revival of the

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[50] Hansard, Volume 967, col.80.

[51] Hansard, Volume 967, col.409.

[52] Hansard, Volume 967, col.411.

concept that approved new construction should be exempt from the application of the Rent Acts (s56, assured tenancies).

The 1980 Act also applied the right to buy provisions to non-charitable housing associations. It would seem that the Conservative Government was determined to treat the Housing Corporation as a public housing authority itself. As Wyn Roberts M.P. (Conservative Under Secretary of State for Wales) put it (Standing Committee F, 1980 Housing Bill, col.2356):

"The Government have started from the proposition that every public sector tenant should be able to benefit from the right to buy his house."

Selling off property to the wealthier tenants of associations reinforces the residual welfare role of associations. Further, recent experiments with association building for sale suggest that private financing institutions may be more willing to invest in association activity than in municipal activity. [53] This is because of the ambiguities over the public-private status of association activity. Associations were promoted as an unsubsidised form of private renting in the 1960s, and despite increasing subsidies and government influence, the Conservative Party still perceive the residue of a similar role. This is manifest in their promotion of build for sale, and their tendency to allocate specific portions of advances to the Housing Corporation to schemes which will result in ownership. It could be argued that building societies have at last begun to respond to these Conservative attitudes. They realised that this political support would mean that privatisation of association assets would cause less political difficulty than would similar enterprises undertaken by local authorities. Clearly a polarisation of association activity is intended; most being privatised

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[53] Filkin and McMorran (1979) describe an example where Merseyside Improved Houses provided a 'packaged service' for investing institutions, where all preparatory work towards acquisition and rehabilitation was undertaken by the association, and mortgage money was successfully obtained from building societies. Smith (1982) provides a summary of the response of associations to improvement for sale. Improvement for sale is now regularly incorporated into the Approved Development Programme, under the heading 'other tenures' (see section 5.2, chapter 5).

for the wealthy tenant, the remainder having its charitable status strictly enforced.

The Conservative Housing and Building Control Bill 1982 attempted to apply the right to buy to the tenants of charitable housing associations. Edward Graham M.P. (Labour) asked why charitable associations were to have the right to buy imposed upon them when the 1980 Act had specifically excluded them (Standing Committee F, 1982 Housing and Building Control Bill, col.159). John Stanley M.P. (Conservative Minister of Housing) replied pragmatically (cols.159-160):

"When we were debating the Bill in 1980, it was evident that to extend the right to buy, even to certain tenants of charitable housing associations, would require some amendment of charitable law. It has been necessary to consider that and to bring forward those proposals. Indeed, subsection (2) [of clause 2] gives the amendment of charitable law that is necessary to give effect to the provisions of the Bill. That is the reason. There had to be some amendment of charitable law to enable the right to buy to be extended in that way."

This response suggests that the Conservative Government do not perceive any distinction between charitable and non charitable associations. As John Stanley M.P. put it earlier:

"Whether an association has charitable status or not depends largely on its historical evolution. When considering other aspects of legislation affecting the tenants of housing associations, we were clear in our minds ... that there should be no basic distinction in law between the rights of housing association tenants as tenants whether they were in charitable associations or not." (col.158)

This reinforces the view that the Conservative Government now regards all housing associations as quasi-public, and wishes to privatise the sector as far as possible, in accordance with its early aspirations for new style housing associations. John Stanley M.P. expressed the Party's



attitude [54] :

"It has been argued that the right to buy should not be extended to the dwellings of charitable housing associations because they are somehow in the private rather than the public sector. But that is completely at variance with the views of the Labour Party when in Government about the scope of the public sector. Statistically, and in all our policies, we and our predecessors in Government have firmly regarded the housing associations as an arm of public sector housing." (col.156)

Clearly, the current Conservative Government does regard housing associations as public sector. This differs from the attitude of previous Conservative Governments. Reinforcing the changing basis of political support for the movement, it is significant that Edward Graham M.P. (Labour) (col.149) defends the autonomy of associations from centrally imposed policies (a reversal of previous Labour attitudes) in a manner similar to which the autonomy of local authorities is defended:

"The Minister has postulated the classic 'Whitehall knows best' attitude. Regardless of the views of local people, which are shown through their elected representatives, they will be told what to do."

The effect of applying the right to buy to charitable associations would be to strengthen the movement's capacity to create private assets; as promulgated by the Conservative Party, and criticised by the Labour Party, in the 1960s. Michael Welsh M.P. (Labour) (Standing Committee F, col.177) sums up these differences in political objectives well:

"I see the association's purpose as being to build houses for the lower income groups and the most needy. Now I find out that I was wrong: housing associations are there to sell houses."

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[54] This is also the attitude of the Labour Party (1981, p.57): "Registered housing associations are largely publicly-funded; they are supervised by a public agency, the Housing Corporation; and as a result they are generally regarded today as part of the public sector in housing". As suggested above, this is largely a result of Labour policies towards associations in the mid-1970s.

Allan Roberts M.P. (Labour) (col.195) puts it more emphatically.

"Soon the Government, through the legislation, will be turning housing associations such as MIH into second-class property developers and speculators." [55]

As a result of the changing activities undertaken by housing associations and the changing relationship between government and the movement (resulting mainly from the 1974 Act), the major political parties have undergone an almost complete exchange of attitudes towards housing associations. In the past Conservative Governments have defended their initiatives expanding the role of the association movement from Labour Opposition. The current Conservative Government's legislation is a response to their hostility towards the legislation of the 1974-79 Labour Government. These changes were not prompted by political pressure on either Party (see section 3.5 below), they simply reflect their changing perception of the nature of housing association activity.

In 1983 the Social Democratic Party (S.D.P.) published a paper entitled A Strategy for Housing. The document supported the housing association movement, arguing that (p.7)

"Housing associations should ... make a contribution to expansion in housing for rent funded directly from public funds."

The Party also recommends (p.11) the creation of a new form of social housing "encouraging private investment in homes for rent at moderate prices". Housing associations should carry out most of the development for this programme (p.12). A 'National Housing Bank' would be necessary to co-ordinate private investment (p.11). Rent levels would be between fair rents and economic rents (p.13), subsidised if they become too close to economic rents. To some extent this scheme is reminiscent of the 1961 cost

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[55] The association referred to is Merseyside Improved Houses. This does indeed conflict with Labour policy as expressed by Bruce Douglas-Mann M.P. in the second reading debate on the 1980 Housing Bill (col.1492): "We need to bring the privately rented sector into social ownership through housing associations, local authority acquisitions, and so on".

rent scheme (which originally envisaged building society investment). One difference is that the use of private funds is intended to (p.14) "free housing associations from the burden of bureaucracy which arises from total dependence on public funding". The document does raise the question of the legitimate role of municipal housing however, arguing against municipalisation, which creates an "unresponsive bureaucracy" with a monopoly of rented housing (p.15).

The 1983 election manifesto of the S.D.P./Liberal Alliance [56] adopted most of these policies and proposes (p.20) "attracting institutional investment in a new type of non-profit making rented housing to be managed by housing associations". This document also illustrates the criticism of local authorities which is implicit in most support for the housing association movement when it proposes (p.12) "providing new sources of rented housing to compete with local councils" (emphasis added). Significantly, the Labour manifesto of 1983 [57] fails to mention housing associations at all, focussing largely upon a reversal of Conservative policies towards local authorities (p.23). This again demonstrates the ideological commitment of the political Parties to certain tenure forms; the S.D.P./Liberal Alliance displaying suspicion towards local authorities, and the Labour Party ignoring associations when municipalities come under threat. Indeed, in 1981 the Labour Party published A Future for Public Housing, chapter 9 of which assessed the role of housing associations. The point is repeatedly made that there is little that associations can do that could not be done by local authorities, and the report offers no conclusion on what tasks associations should perform in the future.

An analysis of political statements on the role of housing associations demonstrates the importance attached to tenure form. The amount of support given to the association movement depends upon the extent to which association provision is perceived as replicating desirable tenure forms. The Conservative Party has thus encouraged associations to provide unsubsidised renting or outright ownership, whilst the Labour Party has encouraged associations to house needy private rented tenants. These

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[56] Working Together for Britain.

[57] The New Hope for Britain.

attitudes have led successive governments to slightly modify the nature of association activity to meet their image of desired tenure forms. No clear economic differences exist between association and municipal provision, and this issue is noticeably absent from debates on the advantages of association activity.

#### 3.4.4 State Expenditure on Housing Associations

The capacity of the association movement to withstand changes in the basis of government support is demonstrated by analysing public expenditure on housing. Allocations to the Corporation have steadily increased since 1974 (see table 3.4).

**TABLE 3.4** Public expenditure on the municipal programme and on housing associations (£m cash prices).

Year	76-77	77-78	78-79	79-80	80-81	81-82	82-83
Municipal expenditure on municipal programme	1860	1758	1736	1944	1717	1416	1410
Municipal expenditure on associations	215	225	184	189	170	142	110
Corporation expenditure on associations	254	288	324	397	495	492	680
Total expenditure on associations	469	513	508	586	665	634	790
Expenditure on associations as a percentage of expenditure on municipal programme	25.2	29.2	29.3	30.1	38.7	44.8	56.0

Source: Treasury (1982 and 1983). Derived from table 2.7.

In 1976/77 the Housing Corporation was allocated £254m (cash prices). By 1982/83 this had risen to £680m. During this period, local authority expenditure on the municipal programme fell from £1860m to £1410m, in the face of severe financial constraints imposed by central government. Clearly, housing associations are continuing to receive favourable treatment from both major parties. The 1983 allocation to the Corporation (for 1984/85) was £687m [58] . Carvel points out [59] that this represented a cut in real terms of 8%. This is still better than the relative position of local authorities, who suffered a cut of 13% [60] . The increased allocations provided by the current Conservative Government appear paradoxical in view of the controls applied to the movement in the 1980 Housing Act. The only conceivable explanation is that even an imperfectly operating association movement fits the ideological image of non-state housing better than municipal housing does. The overall policy of supporting institutions having the appearance of being outside of the state apparently justifies granting millions of pounds to an association movement which still retains a semblance of its earlier philanthropic image.

This consistent growth in expenditure on associations is a reflection of the ability of successive governments to interpret the role of the movement in ways which are consistent with their overall housing policies. As governments succeed each other with their differing housing ideologies, rather than impose reductions in association activity, the nature of the movement allows a subtle redirection of its activity whilst financial support continues. The municipal programme appears less flexible, and elicits stronger partisan attitudes. This is revealed by considering the

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[58] See Housing Corporation, 1983b.

[59] Housing Association Cut Back, The Guardian, November 25th 1983, p.6.

[60] Similarly, in 1981 Matthews commented of the 1981/82 allocation that the association "movement is pleased to have avoided any further cuts- particularly in view of what is happening to local authorities". The moratorium imposed on the Corporation in 1982 was a result of a projected overspend by associations. When lifted (after one month), an additional allocation to the Corporation was made (see Carvel, 1982, Curb on Housing Association Schemes Lifted, The Guardian, November 1st, p.4). The extra £150 million allocated led to an unusually high level of commitments. As a consequence, the current reduction of 8% will have a disproportionate effect on new commitments (see King, 1984).

trends in public expenditure between the period 1976-77 to 1978-79 (Labour Government) and 1979-80 to 1982-83 (Conservative Government). Over the three Labour years expenditure on the municipal programme increased by 4.5%. Over the three Conservative years it fell by 27.5%. Association expenditure fared very well under both governments, rising by 24.9% under Labour, and 34.8% under Conservative.

Such an analysis of aggregate figures ignores the increasing centralisation of association expenditure. As table 3.5 shows, Corporation expenditure on associations as a percentage of municipal expenditure on associations rose from 118% to 618% between 1976-77 and 1982-83.

**TABLE 3.5** Central and local expenditure on housing associations (£m cash prices).

Year	76-77	77-78	78-79	79-80	80-81	81-82	82-83
Municipal expenditure on associations	215	225	184	189	170	142	110
Corporation expenditure on associations	254	288	324	397	495	492	680
Corporation expenditure as percentage of municipal expenditure	118.1	112.9	176.1	210.1	291.2	346.5	618.2

Source: Treasury (1982 and 1983). Derived from table 2.7.

In addition, as Housing Association Grant has become more important, the current Conservative Government has exercised increased control over its application to projects. In 1982, £52m of a total allocation of £556m was specifically allocated to schemes which would result in home ownership by the tenant (see Housing Group's Role, The Guardian, January 20th, 1982, p.2). Aggregate figures thus obscure the ways in which the Conservative Government is seeking to enforce that part of their aspirations for the association movement which still envisages the creation of private assets.



This factor goes a long way in explaining the Conservative Government's increasing support for associations, and the concomitant dramatic decline in their financing of municipal housebuilding.

### 3.5 Conclusions

Duncan and Ley (1982, p.45), in their critique of structural Marxism, argue that

"To collapse the range of social experience to the outworkings of deep economic structures is to present an impoverished view of the social, cultural, and political realms of life."

As chapter 2 suggested, an analytical reduction of all state activity to the (short or long term) interests of fractions of capital has received widespread criticism recently. Swenarton (1981) has argued that state subsidies were introduced as a result of an acute legitimisation crisis; the need to demonstrate the ability of the state to meet the needs of the working class. He goes on to argue that these political and ideological aspects of state activity have been largely ignored in the attempt to link everything to the economic realm.

The previous sections suggest that functional theories are incapable of adequately explaining the growth of central government support for the housing association movement. Associations provide heavily subsidised [61] accommodation for tenants, many of whom are nominated by local authorities. If anything, the fragmented nature of the association movement renders them inefficient in comparison with local authorities (Short and Ramsden, 1974). Furthermore, there is no indication that the policy evolved as a response to political demands. In Scandinavia (Greve, 1971) the housing association movement evolved from building and other trade union co-operative organisations. There is no indication of mass based political demands for this type of housing organisation in Britain

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[61] The Committee of Public Accounts (1979, para.4) reveals that Housing Association Grant covers over 80% of the capital costs of association schemes.

in the early 1960s. Indeed, there is ample evidence that the ideas were wholly promulgated by central government. As Cullingworth (1979, p.131) says, "the evidence suggests that there is little demand for alternative forms of tenure as such, but rather a series of perceived problems relating either to the management of or access to traditional tenures". Speaking of the 1961 Housing Act, the Department of the Environment (1971, para.4.4) commented that

"the Act was intended to make co-ownership possible, but its wording could not be more specific than this because there was virtually no background of existing experience and the consequences of the experiments which the Government hoped to encourage could not be foreseen."

Clearly the legislation of the early 1960s was an inspiration of central government [62] . Furthermore, Miles (1984) argues that the types of association activity undertaken in the 1970s is almost exclusively the result of central government initiatives.

The policy appears to be more concerned with government perceptions of the relationship between central government and the providers of housing, the ideological preference for particular tenure forms, and the nature of tenant equity and control. The Conservative Party introduced support for associations in order to obviate the need for municipal action to compensate for the decline in the condition and quantity of the stock of privately rented accommodation.

It is because associations had an ambiguous status, and thus served ideological ends, that the movement has received bi-partisan support. Both Labour and Conservative Governments have interpreted the relevant legislation in ways which reflect their ideological predilections. Lord Somers provides a crucial insight into the nature of housing policy formation in the Commons (Lords Committee Debate, 1982 Housing and Building Control Bill, col.834-835):

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[62] See also Joyce Butler M.P. (Labour), Standing Committee E, 1963 Housing Bill, col.66, who argued that the idea of housing co-operatives should "have been publicised widely, because it takes time for these ideas to penetrate".

"The Government seem to have a habit of taking a principle which they feel is desirable in some cases- and in many cases it is- and then assuming that it is desirable in all cases. They have done so with the right to buy, or owner occupation. In many cases this is, no doubt, very desirable but in certain cases it is not desirable. This peculiarity is indulged in not only by this Conservative Government. It is common to all Governments which act according to party policy."

Clearly, Party housing policies interpret existing legislation in terms of pre-existing political ideologies. As Short (1982, p.36) says of housing policy in general, "successive governments adopted and modified previous legislation to their own ends". To this extent this appears to be another example of what Pickvance (1981) has described as the chameleon like interpretation and implementation of policy (see chapter 9).

It is significant that the legislation gave government support to formerly privately run bodies. A good deal of the justification for this was couched in terms of the inadequacy of alternative tenures. This referred primarily to inadequacies in municipal practice; both in terms of design (see Dunleavy 1981 and Kirby 1981) and management (see C.H.A.C. 1969). From the outset, the Conservatives hoped that associations could house middle income people in order to prevent them becoming council tenants (a replacement function). The Labour Party hoped that associations would house poorer people who could not be housed by a local authority (a complementary function).

Is it reasonable to expect that housing associations could fulfill such roles? Although the housing association register was created in 1974, associations are still relatively independent from central government, yet are reliant upon local authorities for information and assistance. Is the chain of command between central government and housing associations sufficiently strong to permit the achievement of central government objectives? Can central government influence the nature of association management and allocation practices, or do local authorities possess more power in this respect? Chapters 5 and 6 will address these issues, and the implications for an analysis of central government policy formation.

##### 4.1 The Need for Empirical Data

The previous chapter analysed the rationale behind state support for housing associations, and, relying upon an analysis of government publications and Parliamentary debates, provided evidence that the policy was ideological in character. Both of the main political Parties have propounded arguments in support of associations which depend upon distinctions of tenure. What the Parties assert, however, may only bear a loose relationship with the activities of housing associations in practice. In order to establish whether government objectives have been realised in practice it is necessary to examine the extent to which central government, and its appointed agency, the Housing Corporation, can influence association activity. It is important to clarify the relationships between these bodies implicit in government policies, and the extent to which associations are bodies which can be supervised in detail. It is also necessary to distinguish between general financial and administrative controls, and control over tenant selection by housing associations, for successive governments have expressed preferences on the types of people to be housed by associations.

The legislation of 1974 provides the clearest evidence of Party preferences on the relationships between associations and local authorities, and the role of the Housing Corporation. Subsequent chapters will discuss these differences, and will examine the structure of the association movement in order to assess the extent to which central policies are achievable. There are, in fact, three bodies which help to shape the outcome of central government support for housing associations. First, the associations themselves formulate development programmes and allocate properties to tenants. Secondly, the Housing Corporation acts as intermediary between the Department of the Environment and housing

associations. It is responsible for allocating finance to individual associations, and for supervising their activities. Thirdly, local authorities may offer advice and assistance to associations. They can also offer financial support and nominate some of the tenants of association schemes.

An analysis of the autonomy of these agents, and their capacity to influence policy implementation is therefore necessary. If central government can only imperfectly control their activities, and if the outcome of their interaction is unpredictable, then central government cannot be certain that its policy of support for associations will produce an allocational outcome significantly different from that resulting from municipal activities. If there is uncertainty over the precise tasks performed by housing associations, and the possibility of a duplication of roles exists, then it becomes difficult to justify the expansion of this new tenure in functional terms.

The allocational outcomes of association practices is of central importance, for it is through the housing of particular groups of people that functionalist theory might offer an explanation of the continued existence of state supported housing [1] . It is therefore necessary to examine the power of the Housing Corporation to influence housing association activity, and in particular the groups of people housed (see chapter 5). Housing associations must be examined in order to ascertain the predictability of their allocation practices and the groups of people housed by them (see chapters 5, 7 and 8). The relationship between local authorities and housing associations must be studied; if local authority practices, especially nominations, significantly influence housing association activity in a direction which central government cannot determine, then centrally inspired functionalist policies are untenable (see chapter 6). The local authority may itself be concerned with tenure distinctions. All of these chapters will utilise material drawn from the study boroughs, so it is necessary first to explain the method by which the

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[1] The importance attached to association allocation practices is revealed by the 1971 report of the Central Advisory Housing Committee, Housing Associations, para.1.4. See section 3.4, chapter 3.

areas were selected.

#### 4.2 The Selection of Study Areas

There are currently over 2,700 registered housing associations in Great Britain. An analysis of the activity of each individual association would be beyond the scope of this work so a sampling frame is necessary. This section explains the basis upon which the selection of study boroughs was undertaken.

Since the relationship between local authorities and housing associations is theoretically relevant, it is necessary to select study areas by local authority boundary, in order to permit an evaluation of the impact of local authority policies on housing association activity. Central government policy has been shown to be divided on Party lines so the boroughs should be selected in order to facilitate an examination of whether this political division is replicated at the local level. This can be done either by selecting two boroughs where political control has changed hands recently, or two boroughs where political control has been stable for a number of years. The former will permit a temporal comparison of policies and the latter a spatial comparison. This may reveal political differences in the relationship between local authorities and housing associations. These differences may influence housing association activity more than central government policy.

In order to provide a rigorous basis for empirical analysis a large stock of housing association accommodation is desirable. Furthermore, in 1978 82% of tenants living in property which was purchased by an association were previously privately renting that property, and 31% of all other association tenants were also previously in the privately rented sector [2] . This suggests that a large privately rented stock is also a necessary feature of the study areas, if the activities of associations studied are to be representative of the movement as a whole. A large association stock and privately rented stock indicates that the

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[2] Bird (ed) (1979, fig.C.2.4).



relationship between the local authorities and associations in these areas will be well developed, thus providing suitable material on inter-organisational relationships. As table 4.1 shows, these factors suggest that the study boroughs should be in London. London has a large stock of housing association and privately rented accommodation, which will facilitate the analysis of the activity of housing associations.

TABLE 4.1 Comparison of tenure profile of London and England and Wales (1981).

Tenure	Housing Association	Privately Rented	Local Authority	Owner Occupied
Area				
Greater London [1]	4.1	15.1	30.7	48.6
England and Wales [2]	2.0	9.0	28.8	58.1

Source: [1] 1981 Census, Greater London County Report Part 1. Derived from table 39.

[2] 1981 Census, Housing and Households. Derived from table 2.

Table 4.2 shows the tenure profile of the eight London Boroughs with the largest proportion of housing association accommodation [3]. It also shows the results of the local elections in the boroughs in 1974, 1978 and 1982, and the size of the majority in 1982. Clearly it is not possible to analyse two boroughs where political control has recently changed hands. For boroughs with consistent political control preference is given to boroughs nearer the top of the list (with larger association stocks) and with larger majorities in the 1982 election. Conservative boroughs suitable for analysis were therefore Kensington and Chelsea and Westminster. Labour boroughs suitable for analysis were Islington, Southwark and Hackney. In the case of the Conservative boroughs, size of

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[3] The analysis was originally undertaken using the 1978 National Dwelling and Household Survey. The results in the 1981 Census are presented since they are more accurate than the 1978 sample.

association stock and size of political majority are inversely related, suggesting no clear preference. In the case of the Labour boroughs, Islington has the largest association stock and the largest majority in the 1982 election, suggesting that it should be one of the study boroughs.

TABLE 4.2 Factors considered in selecting shortlist for study boroughs.

	Political control			1982 majority [3]	Percentage household by tenure [4]	
	1974 [1]	1978 [2]	1982 [3]		Housing association	Privately rented
Borough						
Kensington & Chelsea	C	C	C	11	12.3	38.9
Hammersmith	L	-	-	-	9.9	30.6
Westminster	C	C	C	12	9.6	36.1
Islington	L	L	L	24	8.3	17.4
Hackney	L	L	L	19	7.3	17.8
Lambeth	L	L	-	-	6.7	22.0
Southwark	L	L	L	20	6.6	11.4
Camden	L	L	L	3	6.2	29.1

Source: [1] 1974 G.L.C. Annual Abstract. Derived from table 1.07.

[2] The Times, May 6th, 1978, page 3, column c, Power Shift in Only Eight of 80 Councils Outside London.

[3] The Times, May 8th, 1982, page 2, column d, How the Councils Fared.

[4] 1981 Census, Greater London County Report Part 1. Derived from table 39.

Islington was chosen as a study borough because of these factors, and because staff at the Open University were already undertaking research in the borough. This suggested that information would be readily available from the borough, as informal contacts with personnel in the housing department of the borough were already well developed. A visit to their housing department in 1982 confirmed this. The remaining choice was between Kensington and Chelsea and Westminster. Preliminary visits were made to the boroughs in 1982 in order to ascertain the co-operation offered by council officials. Both boroughs seemed very willing to co-

operate with the research, and this provided no basis for choice.

Since the most relevant supply characteristics had already been considered (stock and political control), demand factors were examined in order to provide the basis for choice. The Conservative borough which had population characteristics closest to those in Islington would be chosen. This would permit the inference that differences in association activities between the two areas are caused by policy decisions (by the associations or the boroughs), and do not merely reflect differences in the population of the areas being studied. Tables 4.3 to 4.7 analyse a range of population indicators, and show the absolute differences between the Conservative boroughs and Islington [4] . Whilst these are crude measures, any consistent difference would be accepted on the basis of insufficient alternative theoretical reasons.

TABLE 4.3 Shortlisted study boroughs; differences in age of head of household (1978).

	Male				Female				
	16-29	30-44	45-64	65+	16-29	30-44	45-64	65+	
Islington	11.5	20.0	27.2	11.2	4.9	4.6	5.2	15.4	
Kensington and Chelsea	14.9	22.1	19.5	8.0	9.3	7.0	6.4	12.7	
Westminster	12.3	19.0	23.6	11.3	5.9	5.1	6.2	16.6	Total
K&C - I	3.4	2.1	7.7	3.2	4.4	2.4	1.2	2.7	27.1
W - I	0.8	1.0	3.6	0.1	1.0	0.5	1.0	1.2	9.2

Source: 1978 National Dwelling and Household Survey, table 88b.

Table 4.3 shows that the age profile of the population of Westminster is closest to that in Islington.

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[4] This was done before the results of the 1981 Census were published.

TABLE 4.4 Shortlisted study boroughs; differences in household type (1978).

	Married couple	Lone parent family	1 person aged <60	1 person aged 60+	Other	
Islington	51.9	9.6	14.2	16.2	8.0	
Kensington and Chelsea	38.1	6.6	17.2	13.7	14.4	
Westminster	42.2	6.6	22.3	19.0	9.9	Total
K&C - I	13.8	3.0	3.0	2.5	6.4	28.7
W - I	9.8	3.0	8.1	2.8	1.9	25.6

Source: 1978 National Dwelling and Household Survey, table 65b.

Table 4.4 shows that, although there is only a slight difference between Westminster and Kensington and Chelsea, Westminster has a profile of household types closest to that of Islington.

TABLE 4.5 Shortlisted study boroughs; differences in family type (1978).

	Main		One person	Concealed		Single person not household	
	Married couple	Lone parent		Household	Single person		
Islington	44.5	8.2	33.0	1.3	0.4	12.6	
Kensington and Chelsea	29.7	5.2	43.2	0.5	0.3	5.6	
Westminster	35.8	5.6	43.6	0.4	0.3	14.3	Total
K&C - I	14.8	3.0	10.2	0.8	0.1	7.0	35.9
W - I	8.7	2.6	10.6	0.9	0.1	1.7	24.6

Source: 1978 National Dwelling and Household Survey, table 100b.

Table 4.5 indicates that, as regards family type, Westminster is once again closest to Islington.

TABLE 4.6 Shortlisted study boroughs; differences  
in socio-economic group of head of household (1978).

	I	II	IIIa	IIIb	IV	Other	
Islington	12.1	33.8	23.4	18.2	8.7	3.9	
Kensington and Chelsea	30.3	38.6	11.4	12.9	3.7	3.1	
Westminster	24.6	37.5	12.9	14.2	5.8	4.9	Total
K&C - I	18.2	4.8	12.0	5.3	5.0	0.8	46.1
W - I	12.5	3.7	10.5	4.0	2.9	1.0	34.6

Source: 1978 National Dwelling and Household Survey, table 97b.

Note: [I] Professional/employer/manager; [II] Other non-manual;  
[IIIa] Skilled manual; [IIIb] Semi-skilled manual;  
[IV] Unskilled manual

Table 4.6 shows that Westminster has a socio-economic profile which is closest to that in Islington, although both Conservative boroughs differ widely from the position in Islington.

TABLE 4.7 Shortlisted study boroughs; differences  
in employment status of head of household (1978).

	Employed	Unemployed	Retired	Housewife	Other	
Islington	65.0	5.4	17.2	7.3	5.1	
Kensington and Chelsea	70.2	3.5	12.0	6.6	7.8	
Westminster	66.8	3.8	16.9	6.5	6.1	Total
K&C - I	5.2	1.9	5.2	0.7	2.7	15.7
W - I	1.8	1.6	0.3	0.8	1.0	5.5

Source: 1978 National Dwelling and Household Survey, table 91b.

Table 4.7 indicates that the employment status of the population of Westminster is closest to that of Islington. Whilst the relevance of the

variables selected to the activity of housing associations may vary [5] , the fact that Westminster is closer to Islington on all indicators led to this borough being selected as the second study borough. Figure 4.1 shows the location of the study boroughs in London (and the proportion of households renting from an association [6] ).

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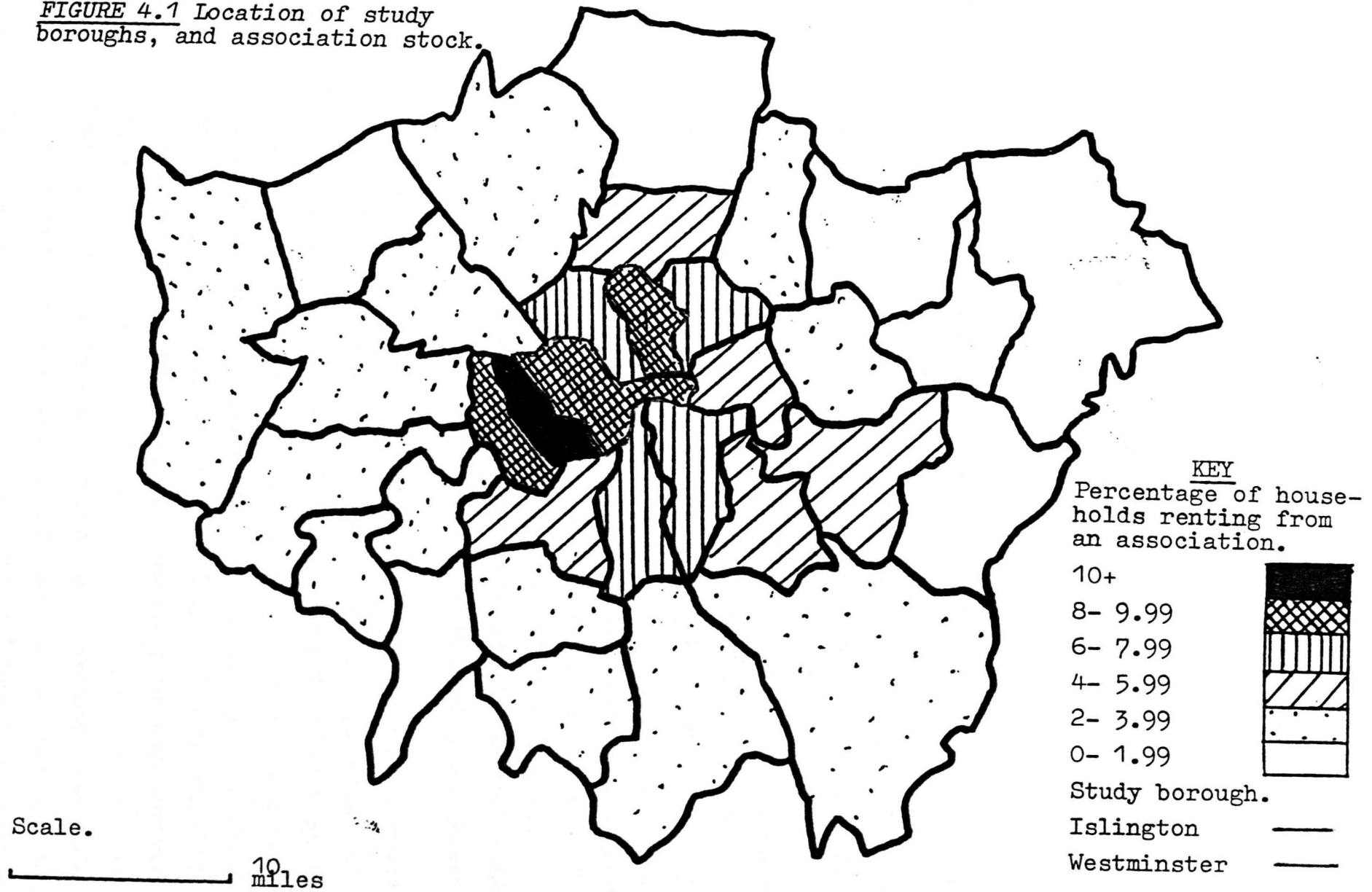
[5] See chapter 7, where this is developed.

[6] Derived from the 1981 Census, and presented numerically in table 6.2, chapter 6).



FIGURE 4.1 Location of study boroughs, and association stock.

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### 5.1 Introduction

Chapter 3 analysed the varying basis of central government support for the association movement and concluded that support is largely based upon ideological attitudes towards tenure and control. Political debates are a poor indicator of policy outcomes however. The Housing Corporation, housing associations and local authorities are the tools selected to implement central government policies. Chapter 2 suggested that functionalist theories posit a monolithic view of the state, in which central government formulates policies which are implemented unproblematically. If the agencies responsible for implementing government policies towards housing associations have a significant degree of autonomy from central government, the outcome of central government policies is unlikely to satisfy pre-given functional requirements, and any theory which posits such a tight-link between policy outcome and structural requirements is invalidated (see Pickvance, 1978).

Chapters 5 and 6 are primarily concerned with further exploring the period from 1961, and demonstrating that the implementors of housing association policy do indeed possess significant autonomy. Chapter 5 begins with a discussion of the Housing Corporation, the duties ascribed to it by successive governments and its relationship to individual housing associations. The nature of 'accountability' will be addressed in terms of the control mechanisms possessed by central government over the Housing Corporation, and the controls the Housing Corporation has over housing associations. Subsequent sections will outline the allocational implications of central government policies towards housing associations. The organisation of housing associations will then be examined, and their allocation policies contrasted with government policies.

This will provide evidence against the view that support of associations can feasibly have a functional requirement (e.g. the reproduction of specific types of labour power), and that support is necessarily more general (and ideological). Chapter 6 will undertake a related analysis focusing upon local authority policies towards housing associations.

## 5.2 The Housing Corporation: Power and Accountability

The Housing Corporation was brought into existence by section 1(1) of the Conservative 1964 Housing Act. Schedule 1 paragraph 2 of that Act empowered the Minister of Housing to appoint the members of the Corporation. Johnson (1979, p.379) defines 'quangos' as

"appointed public agencies established by statute or ministerial decision to perform executive tasks in place of central departments or elected local authorities."

This definition clearly includes the Housing Corporation. A good deal of the political debate on the role of associations and the Corporation has revolved around the issue of accountability and democratic control, and Johnson himself cites the Corporation as an example of a quango (p.386).

That the Housing Corporation and boards of management of housing associations are not elected is clear, but what precisely is the relationship between central government, the Corporation and housing associations? Is there an adequate hierarchical system of command which provides accountability through central government? Without it, any functionalist analysis of central policy formation is untenable.

An examination of the relevant legislation provides the answer, and reveals significant changes since 1964. The 1964 Act gave central government both general and specific controls over the Housing Corporation. Section 1(1) defined the general duties of the

Corporation [1] largely in terms of the promotion of specific types of association and activities to be undertaken by them. Any other activity undertaken by the Corporation thus became ultra vires. This is a constitutional control over the Housing Corporation.

Section 1(2) of the 1964 Act empowered the Minister or Secretary of State to give directions relating to the various powers of the Corporation. This power of direction is wide, and was extensively used to impose conditions on grants made by the Corporation. A third type of control is the requirement of Ministerial consent for several activities of the Corporation. For example, before the Corporation can direct an association on the disposal of its land, section 2(3) required the consent of the Minister. A fourth type of control is that of providing information. The Corporation must submit audited accounts to the Comptroller and Auditor General, and publish an annual report (section 10).

These are all general controls and do not relate to specific association management practices. The only significant powers the Corporation possesses over associations are in the distribution of loans, and the power to take over an association which is not performing its duties (section 5). For the latter, Ministerial consent is required.

Clearly the 1964 Act set up a very general framework. Indeed, details were consciously avoided. Sir Keith Joseph M.P. (Conservative Minister of Housing and Local Government) resisted Labour suggestions that the Housing Corporation should oversee the detailed practices of housing associations in the Standing Committee debate on the 1963 Housing Bill (Committee E, col.42):

"What I am resisting is the idea that the Corporation should seek to spell out in absolute form a complete code of management."

It was very much up to the Corporation on an ad hoc basis to decide what the "proper exercise and performance" [2] of an association was to be. The

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[1] See section 3.4, where the subsection is quoted.

[2] Section 1(1) 1964 Housing Act.

Labour Opposition reacted strongly to such vagueness. If the associations were only imperfectly accountable to the Corporation, was it merely a device to further reduce the influence of local authorities over the activity of housing associations?

The next legislation to affect the Housing Corporation and associations was again Conservative; the 1972 Housing Finance Act. Section 77 empowered the Housing Corporation to make loans to traditional associations as well as to new style housing societies, and the grant system was centralised in the 'new build subsidy' (section 75). The only changes in the relationship between the government, the Corporation and associations were contained in sections 77 and 80. Both provisions bypassed the Housing Corporation and exerted central government control over associations directly. Section 77 extinguished agreements between local authorities and associations in so far as they related to rent levels in order to facilitate the transition to fair rents. Section 80(1) (a) empowered the Secretary of State to treat an association "as if it were for any specific purpose of this Act ... the local authority".

Both the 1964 and 1972 Acts reduced considerably electoral control over state supported housing provision. Indeed, this is a trend started by the Conservative Government in 1961. The Housing Act of that year created an exchequer fund of £25 million for use by cost rent and co-ownership societies, and thereby supplemented local authority involvement with the associations through the traditional method of authorised arrangements. In so far as they related to rent levels, such agreements were illegal by 1972. The 1964 Act created the Corporation but gave it little real power. The 1972 Act did not significantly increase the power of the Corporation, and exerted controls over associations directly. This bypassing of the Housing Corporation only eight years after its creation paralleled the bypassing of local authority rent setting for municipal accommodation some 53 years after they assumed this responsibility. It has already been argued that the Conservative Party wished to promote associations as 'private' sector institutions at this time. The Party clearly felt that detailed bureaucratic control was inconsistent with this. What was being done was to extend state influence in housing activity through an unelected and largely uncontrolled body. When considered expedient, the

Conservative Government could simply bypass an unelected Housing Corporation. Labour M.P.s emphasised this lack of accountability.

The first Labour legislation affecting these relationships was the 1974 Housing Act, and this presents a marked contrast with earlier Conservative legislation. Section 1(1) of the Act created a new duty of the Housing Corporation, that of compiling a register of approved housing associations. Section 13 governs the operation of this register, and states the requirements that an association must meet to be deemed suitable for registration. Section 15 gives the Corporation the power to strike associations off the register, and section 17 restricts the payment of certain loans and grants to registered associations.

These provisions increased the power of central government generally, but mainly did so through the Corporation. Furthermore, section 19 of the Act empowered the Corporation to conduct an inquiry into the affairs of a registered association that is also registered under the 1965 Industrial and Provident Societies Act. The Corporation may remove members from or appoint them to their boards of management (section 20), direct the transfer of its land (section 21) or financial assets (section 23), and petition for the winding up of any such association (section 22). Thus the control of the Housing Corporation over the housing association movement was greatly increased by the 1974 Act. In view of earlier Labour comments about accountability [3] , it is clear that the Labour Government decided that accountability could be secured through the Housing Corporation, without the direct intervention of the relevant government department.

The power relationships contained in the Labour legislation clearly differ from those in the Conservative legislation. The Labour legislation opted for less direct intervention. A good example of this is Circular 170/74, which instructed the Corporation on the types of projects which should receive favourable consideration when allocating the new 'housing

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[3] See Michael Stewart M.P. (Labour), Standing Committee D, 1961 Housing Bill, cols.32-33 (quoted in section 3.4).



association grant' [4] .

It can be argued that the Labour Housing Act of 1974 was very similar to the Conservative Housing and Planning Bill of the same year. The Conservative 1980 Housing Act reinforces the differences in approach however. Most of the provisions of the 1980 Act bypass the Corporation once more. Section 1 applied the right to buy to the tenants of non charitable housing associations. Section 44 required housing associations to publish their allocation priorities, and section 131 required each association to maintain a fund for repaying surplus rental income to the government (the 'Grant Redemption Fund'). Very little of this Act relates to the operation of the Housing Corporation. Indeed, section 123 actually weakens the powers of the Housing Corporation by abolishing its power to control the disposal of land by unregistered associations.

The Housing Corporation now retains considerable influence over the professional standing of associations (through the register), and their financial practices (through the grant and audit). It also has the power to conduct inquiries into associations, and to appoint members to their boards of management (as at April 1st, 1982 there were 54 such appointees on 14 boards [5] ).

Apart from Circular 170/74, there is very little guidance on the precise tasks that associations should undertake. Housing Corporation circular 24/81 [6] (para.12) reasserts that "priority will be given to rehabilitation". Rather than introduce regulations to cover detailed tasks, the current Conservative Government has begun [7] to earmark specific portions of housing association grant to particular types of activity. In December 1982 the total allocation to the Housing Corporation for 1983/84 was announced as £630m. With projected receipts of £60m this

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[4] Suitable projects were defined as (para.34): those within a general improvement area or housing action area, those for special needs, those to meet local priority needs, those designed to maintain the stock of privately rented accommodation, those designed to prevent structural deterioration of housing in the area, and those instigated by the local authority for the area, or the Housing Corporation.

[5] Annual Report of the Housing Corporation, 1982/83, p.34.

[6] The Approved Development Programme.

[7] See Housing Group's Role, The Guardian, January 20th, 1982, p.2.

made a gross allocation of £690m. The allocation was subdivided accordingly (Housing Corporation, 1982c):

contracted expenditure	£350m
new tenders approved	£150m
new fair rent and hostel projects	£75m
other tenures	£93m
major repairs	£15m
right to buy mortgages	£6m
mini-housing association grant	£1m

This system allows central government to dictate the general type of association activity. Once again however, the major 'influence' is tenurial, for such allocations can hardly influence the routine administration of housing association stock (allocation and management). Is it significant that of the total allocation of £690m, only £75m (10.9%) went to new (untendered) fair rent projects, whilst £93m (13.5%) went to 'other tenures' (i.e. tenures resulting in a form of equity holding more akin to ownership than renting). It is clear that the scope for associations to pioneer new types of tenure on their own is limited somewhat by this procedure.

The method of distributing the allocation to the regions of the Housing Corporation also reflects considerable central control, the Generalised Needs Index (G.N.I.) being used. The G.N.I. is compiled by central government and is used in local authority rate support grant calculations. The Approved Development Programme was introduced in 1981 in order to render the G.N.I. more appropriate to the needs of housing associations. Housing Corporation circular 24/81 [8] sought (para.36) "to ensure that variations in housing need should be taken fully into account both at national and local level", and (para.16) modified the G.N.I. to exclude factors not relevant to housing, and to emphasise indicators of special needs. The National Federation of Housing Associations has objected to this system (1983, p.9), however:

"The Federation would like to see more research as to how the

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[8] The Approved Development Programme.

Generalised Needs Index- which was devised with local authorities in mind- might be adapted for application to the particular contribution which associations can make."

In addition to controls over capital allocations to the Housing Corporation, central government has also exerted considerable project cost control. Until recently both the Housing Corporation and the Department of the Environment scrutinised each project submitted by a housing association. The Committee of Public Accounts (1979, appendix II, para.4) commented in 1979:

"under present arrangements, the key decisions on individual grants are in fact taken by the Department- approval in principle of the original scheme (subject to certain exceptions), and the calculation of Housing Association Grant, as well as Revenue Defecit Grant. Under present legislation the delegations to the Housing Corporation cannot embrace these functions. Thus the Accounting Officer must be in a position to satisfy himself that the public money involved is sufficiently safeguarded. That this leads to some degree of double-checking cannot be denied."

The National Federation of Housing Associations has long criticised the extent of supervision. Typical of its position is the comment (1978b, p.10) that:

"The funding authority- most notably the Housing Corporation- is required to engage in far too much petty consideration of trivial aspects of each scheme."

Milton Wilkinson and Thurman (1981, p.126) state that "duplication of scrutiny in the Department and in the Housing Corporation ... should be cut out". The depth of financial control can indeed be surprising. Professor Hetzel notes one case [9] where "after holding plans under review for eight weeks, the Department of the Environment Regional Office recommended

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[9] In an unpublished paper, c.1981, entitled Filling the Vacuum: A Perspective on English Housing Associations, p.19.

a reduction in the number of shelves in a cupboard from three to two for a total saving of £8".

Furthermore, methods of cost control can significantly constrain the types of units provided by housing associations. It has been suggested that the Total Indicative Cost system encourages associations to subdivide houses into as many dwellings as possible during rehabilitation, since cost limits are dependent, inter alia, upon the number of units provided. The cost of external works, for example, can be absorbed better through allowances for several units [10] .

The degree of financial control exercised reflects the ambivalence towards the movement expressed by both main Political Parties; the autonomy of the movement is circumscribed in case its pioneering spirit presents central government with difficulties (be it financial or tenorial). Such controls, rather than encouraging flexibility [11] , tend "to reward conformity" [12] . These procedures were streamlined under schedule 18 of the 1980 Housing Act. The Department of the Environment has now delegated cost control to the Housing Corporation [13] , but has simultaneously strengthened its supervision role [14] .

The Conservative Party has long been suspicious of quangos. In 1978 Philip Holland M.P. (Conservative) described the growth of quangos [15] as

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[10] Information gathered during conversation with the Chief Development Officer of the Housing Corporation, 21st December, 1983.

[11] A feature of the movement praised by the Central Housing Advisory Committee in 1971 (para.2.4).

[12] Hetzel, op. cit., p.20. See also N.F.H.A., 1977, para.64(iii), which asserted that such "scrutiny can lead to the imposition of 'standard practice' where diversity ought to prevail".

[13] Formal notification of the utilisation of schedule 18 was contained in a memorandum from the Department to the Corporation dated March 16th, 1981, entitled Housing Act 1980, Housing Corporation: Approved Development Programme for England, Memorandum of Authorisation, in para.14.

[14] Ibid.; para.8 and 9 require the Corporation to furnish information to the Department, and initiates a series of bi-monthly meetings for monitoring the performance of the Corporation. Para.16 permits the Secretary of State to make audit checks on the Corporation, and to this end para.17 requires the Corporation to give the Department access to information.

[15] Hansard, Volume 995, col.283. They are accused of being "unelected and largely unrepresentative" in Holland and Fallon (1978, p.4).

"the rapid spread of bureaucracy by the proliferation of unelected, unrepresentative bodies beyond the reach of Parliament and in many instances not accountable to anyone for the expenditure of large and growing sums of public money."

Johnson (1979, p.380) observes that Conservative hostility to quangos derives from "anti-state critics of bureaucracy and of the continuing extension of public powers and services". Holland and Fallon (1978), in a Conservative Party publication, recommended that the number of quangos should be reduced, that bodies receiving more than half of their funds from the government should be made more directly accountable, and that the system of appointing the members of quangos should be revised. Indeed, in 1980 the Conservative Government abolished over 400 quangos [16] . Conservative support for the Housing Corporation appears paradoxical therefore until the Conservative conception of accountability is understood. Chapter three noted that Labour M.P.s feared that the Corporation, in Conservative hands, may have eroded the role of local authorities. The Conservative conception of accountability is indeed to central government. This justifies the use of the Corporation, and helps to explain why their recent legislation has applied central controls over associations. Philip Holland M.P. (Conservative) made this clear in 1978 [17] when he said:

"what I am proposing are changes for the benefit of the House of Commons and to restore power to the House of Commons for the future."

The 1974-79 Labour Government was satisfied that the Housing Corporation could sufficiently police the association movement. This does not appear to be the case with the current Conservative Government, which is increasing central controls. None of these controls are likely to enforce particular tenant allocation practices by associations however, as they concentrate on the internal financial performance of the Corporation and individual housing associations. McKay and Cox (1979, p.152) comment of

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[16] See Clark (1980), Abolition of 436 Quangos by 1983 to Save £23m, in The Times, December 4th, p.2.

[17] Hansard, Volume 995, col.284.

municipal housing that,

"In the crucial areas of management, access and allocation, central governments either have not wanted to or have lacked the political will to impose major changes in local practices."

No power given to the Corporation, or directly imposed by central government, suggests that the position is significantly different in the case of housing associations. Indeed, a reflection on the imperfect control exercised over the movement is the comment of Arden (1983, para.5, p.vi) that

"The nature of the housing association operation is such that either an abuse (even a serious abuse,) or an inefficiency (even a structural or corporate inefficiency,) can lie concealed, with no outward manifestation for a prolonged period."

### 5.3 Housing Allocation and the Role of Housing Associations

In order to understand the extent to which the changing aims of government policies towards housing associations have (and can be) realised in practice it is necessary to first return to a discussion of the 1961 Act.

The 1961 and 1964 Acts created a system of unsubsidised provision for middle income tenants. Clearly this role largely distinguished associations from the work of local authorities. The question of whether associations should provide for groups similar to those housed by local authorities was raised by Stack as early as 1968. Circular 12/62 stated that authorised arrangements should be used by local authorities "for the benefit of people whose needs would otherwise have had to be met by the authorities themselves" (para.3), suggesting a supplementary function. Cost renting through the Housing Corporation was seen as an alternative, non-municipal function (para.7 and 12). Stack (1968, p.49) observed that

"Many of the problems experienced by the Hanover Housing Association in its contacts with local authorities have arisen because it is not at all clear either from the legislation or



from official statements and Ministry circulars whether housing associations are supposed to be an alternative or a complement to local authorities."

Since at least 1972 this distinction between traditional associations and Corporation sponsored associations has not been valid (for traditional associations can now receive funds through the Corporation). To the extent that some of the better-off council tenants might be drawn to association accommodation as a result of the cost rent scheme, some overlap of roles may have existed. Early Labour suspicion of the movement is partly based upon the fear that this process may at first have residualised and then replaced municipal provision.

A clearer example of the different objectives envisaged by the main Political Parties is provided in 1974. In chapter 3 it was argued that the different attitudes implicit in these variations reflected ideological positions. It is now necessary to consider precisely what those positions were, and their implications for the relationship between association and municipal provision. This is a subject which is returned to in chapter 6, when the possible responses of local authorities to these central government policy changes is considered. It is an issue central to an understanding of the allocational role of housing associations.

Early in 1974 the Conservative Government introduced the Housing and Planning Bill. Later in the same year a new Labour Government introduced a similar Housing Bill. The Labour Bill eventually became the 1974 Housing Act. The few differences between the two Bills reveals major differences in the attitude of the two parties to the role of associations and their relationship to local authorities. Clause 41(4) of the Conservative Bill would have permitted the Secretary of State for the Environment to direct a local authority to sell land it owns in a housing action area to a

specified housing association [18] .

Clearly the Conservative Party hoped that, to some extent, association activity would replace the activity of local authorities. The Labour Government, whilst in large part adopting the Conservative Bill, was ideologically committed to the pre-eminence of local authorities in the provision of rented accommodation, and the Labour Bill therefore excluded the Conservative clause 41. Indeed, the Labour Government interpreted their new legislation in a way which presented a marked contrast with that of its Conservative predecessor. Circular 170/74 [19] (para.34) suggested priorities for housing association grant as including relieving housing stress; a task clearly similar to local authority work in housing action areas. The Labour Government intended that this work should supplement local authority work (i.e. not compete with or replace it). Just as the legislation was open to interpretation by different governments, so this intention was open to interpretation by local authorities, as the next chapter shows. The Circular (para.34) also suggested that associations should meet the needs of groups with special housing problems or needs; a task complementing local authority work, catering for people who are in housing need, but for whom local authorities have unsuitable stock or insufficient management experience (which by virtue of being tasks not normally undertaken by local authorities does not compete with traditional municipal activity).

Bowing to the policies of the Party in power [20] , the Housing Corporation published a circular in 1975 (Corporation circular 1/75). The circular (para.2) instructed associations to consider the 1969 C.H.A.C. report on council house allocation, thus suggesting functions

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[18] The Conservative White Paper (1973) Cmd.5338, para.27(c) also proposed "to empower local authorities to require landlords selling tenanted property within the area to offer first refusal of the sale of the property to an approved housing association; or, if this was shown to be impracticable, to the local authority itself". This confirms the Conservative preference for association activity over municipal activity.

[19] The Housing Act 1974: Housing Corporation and the Housing Associations.

[20] As paragraph 2 of the circular states, the circular "is issued as a general guide to housing associations in the light of the Government's views on the role of the voluntary housing movement".

supplementary to local authorities. Paragraph 9 suggested that associations should also house groups with special needs who cannot be housed except by a housing association, thus suggesting a role complementary to that of local authorities.

The Conservative Party originally used associations as a method of encouraging a private sector competitor to local authority housing departments, and if the Conservative Party wished to displace local authorities as the main providers of rented property, it may have been relatively disinterested in who associations housed, but more concerned that associations, rather than local councils, should house them (see Harloe, Issacharoff and Minns, 1974, p.78). Why should this be so? One likely reason has been referred to; that is, the ambiguities surrounding the public/private status of associations, and the possibilities this raises for subsequent privatisation. Another explanation may simply be the strength of anti-municipal/collectivism within the Conservative Party. Both explanations seem valid, for the Conservative Government applied the right to buy to the tenants of non-charitable housing associations in 1980, and attempted to apply it to charitable associations in 1982. The underlying rationale for these moves is the desire to promote non-state solutions to housing problems, as part of a wider belief that non government provision of facilities is in some way morally and economically superior to state provision.

As Hadley and Hatch (1981, p.159) point out, the Housing Corporation, in its promotional role, encourages local initiatives and self help outside of bureaucratically dominated state institutions. Social democratic ideology should thus favour the housing association movement [21] . Conservative ideology is more complex, for whilst favouring such moves in principle, it is also opposed to state expenditure by bodies which are only partially controlled by central government. The question becomes whether it is preferable for housing to be administered by bureaucratic local authorities which can be controlled to some extent, or voluntary associations which can only be partially controlled. The clauses in the

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[21] See Social Democratic Party (1983, p.14).

1980 Housing Act [22] controlling housing associations, and continued increases in allocations to the Housing Corporation indicates that, under the Conservative Government, the outcome of this debate has favoured housing associations.

The Labour Party presents a markedly different ideological position. In this case local authorities are to be the main providers of rented accommodation. Associations should therefore focus upon complementary provision (which does not directly compete with traditional municipal target groups), such as special categories of need; and supplementary provision, for people akin to council tenants, but in a subordinate role to local authorities (hence the omission of the Conservative clause 41 from their 1974 Bill).

To meet the requirements of the Labour Party, associations would therefore house special needs groups (e.g. the elderly, physically and mentally handicapped etc.), the poor, and some general needs groups. To meet the requirements of the Conservative Party, associations would have to house middle-income tenants as a step towards ownership, but as regards their rental function, recent Conservative policies do little to suggest particularly suitable groups.

An analysis of the 1982/83 Annual Report of the Housing Corporation provides evidence of the extent to which the different tenorial aspirations of the main Parties are being met (see table 5.1).

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[22] Section 124 on the auditing of accounts, 126 on payments to committee members, 42 on allocation policies, and 131 on the Grant Redemption Fund. The Act also applied the right to buy to the tenants of non-charitable associations.

TABLE 5.1 Total approvals by type of unit for the years 1964 to 1983.

Area	Great Britain	
	Total	Percent
Scheme		
New build fair rent	172,934	48.3
Rehabilitation fair rent	129,210	36.1
Co-ownership and cost rent	37,928	10.6
Improvement for sale	6,207	1.7
Leasehold schemes for the elderly	2,072	0.6
Shared ownership	7,076	2.0
Co-ownership (equity sharing)	809	0.2
Community leasehold	132	*
Self build	1,846	0.5
<b>Total</b>	<b>358,214</b>	<b>100.0</b>

Source: Annual Report of the Housing Corporation 1982/83, Appendix III, table 1.

Note: \* indicates less than 0.1%.

These schemes can be divided into those which provide rented accommodation similar to council accommodation (fair rent [23] ), those which provide property at economic rents (cost rent) and those which ease access to ownership (the remainder). The 1980/81 Annual Report (Appendix II) gives the total cost rent stock as 1,395. Since no new cost rent properties have been built for several years, it is fair to assume that this figure is accurate today.

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[23] See C.H.A.C. (1971), Housing Associations, para. 1.4, where traditional associations (which generally must charge fair rents), are described as setting out to house people similar to council tenants.

TABLE 5.2 Tenorial characteristics of total approvals for the years 1964 to 1983.

Area	Great Britain	
	Total	Percent
Scheme		
Rented (similar to municipal)	302,144	84.3
Rented (economic rent)	1,395	0.4
Facilitating ownership	54,675	15.3
Total	358,214	

Source: Annual Report of the Housing Corporation 1982/83.  
Derived from Appendix III, table 1.

Table 5.2 shows that 15% of association provision is oriented towards the requirement of easing access to ownership. Nearly 85% of association provision is fair rented accommodation, and the precise way in which it is similar to local authority provision will be considered in later chapters.

Having considered the tenorial significance of housing association activity their allocation policies must now be examined. It has already been hypothesised that securing the reproduction of labour power might be seen as one functional objective of government support for housing association activity. If this is a viable objective then associations must have allocation policies which produce predictable outcomes geared to tasks defined by central government (see Pickvance, 1980). If this is not the case then the validity of a functional approach to housing policy is once again seriously questioned.

The 1977 Green Paper (Housing Policy: A Consultative Document, para.9.26) suggested that because of the increased scale of association activity "informal methods of allocation which have been adequate in the past may no longer be appropriate". Although the Labour Government did not act upon this suggestion, section 42 of the Conservative Housing Act of 1980 requires associations to publish their allocation priorities. How much significance can be attributed to this policy is open to



question [24] . The 1980 Act generally displayed a cautious attitude towards associations (see section 3.3, chapter 3), and this may be considered a constraint upon association activity. The move may have assisted local authorities in attempting to predict the likely allocational practices of individual housing associations, for it meant that each association had to publish a document on its allocation policy which local authorities could use in assessing which associations to support.

The debates on the 1982 Housing and Building Control Bill go further in revealing Conservative motivations. John Stanley M.P. (Conservative Minister for Housing) observed that some associations have not been strict enough in enforcing their charitable rules (Standing Committee F, cols.305-6). John Stanley M.P. (col.305) stated "it has become apparent that at least some existing tenants of charitable housing associations are not in necessitous circumstances". Indeed, the definition of needy has not been strict enough (col.305), the income limitation to the average wage being considered insufficiently low. Furthermore (col.306), this test must constantly be reapplied to existing tenants to see whether they cease to be deserving of association accommodation. John Stanley M.P. concluded (col.306),

"charitable housing associations and trusts will in future need to ensure that they operate their letting policies consistently with their charitable objects and the requirements of the law."

The only exemption from this requirement is for tenants who are exercising the right to buy. These are not to be considered ineligible for association accommodation on the grounds of income (else all tenants so applying would be evicted accordingly!). This is reminiscent of what English (1982a) and Summers (1981) characterise as the Conservative attitude towards municipal allocation. Summers (1981, p.186) describes the

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[24] The Housing Corporation published a circular in 1978 entitled In The Public Eye. This circular suggested a variety of ways of making housing associations more accountable, and was welcomed (on p.2) by Reginald Freeson M.P. (Labour Minister for Housing and Construction). The circular notes, however, that the Labour Government "has already indicated that it will expect associations to publish their tenant selection policies" (para.10).

ideological framework of the Conservatives as follows:

"public expenditure is in itself a bad thing; as many people as possible should be encouraged to own their own homes and should be rewarded for owning them ... ; the private rented sector should be prompted to provide for those who cannot buy; and public housing should only be for those who slip through this net."

This can be contrasted with the Labour attitude as expressed by Anthony Crosland M.P. (1971, p.17):

"council housing ... was conceived of as essentially a social service for the poorer classes; and local authorities were restricted by statute to providing houses for 'the working classes'. But ... the post-war Labour Government deliberately removed this restriction. We wanted council estates to be well balanced and socially mixed communities".

The Labour Party (1981, p.15) confirms that a change of tenants is occurring:

"The median household income of council tenants, for example, fell from 83 per cent of that of home buyers in 1953 to 58 per cent in 1978; the number of council tenant households with economically inactive heads rose from 25 per cent in 1968 to 35 per cent in 1976, and apparently to about 40 per cent in 1977, and the proportion of all Supplementary Benefit claimants who are in the council sector rose from 49 to 59 per cent between 1970 and 1979."

Certainly, the increasing scale of rent arrears by association tenants suggests a parallel worsening of their financial position. During 1983

total rent arrears in the association sector rose by £6m [25] .

John Cartwright M.P. (Social Democrat) [26] seems to be a little dated therefore, when he suggests competition between housing associations and local authorities:

"what I want to see is a reduction of the virtual monopoly of local authorities in the rented sector which certainly exists in the major cities ... Housing associations should provide more competition with local authorities in the provision of rented housing."

This is an attitude dating from the mid-1970s [27] , before the majority of the Conservative Party came to regard associations in a similar light to local authority housing departments.

To the extent that housing associations are not part of local government, and engage in schemes for private ownership, the Conservative Government may still envisage a replacement role, but by and large it regards association stock merely as a more ideologically acceptable form of public ownership than municipal ownership. The Labour Party, on the other hand, still seeks to protect a distinctive role for local authorities, and has said nothing recently which conflicts with its earlier statements on association activity being supplementary and complementary to municipal provision.

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[25] See Carvel, 1984, Scheme Raises Rent Arrears By £6m, in The Guardian, January 20th, p.2. It is suggested that the operation of the housing benefits scheme is partly responsible for the increase in rent arrears. Indeed, Page and Ramsay (1984, p.3-4) suggest that it "is difficult to attribute the greater part of this [increase] to anything other than the introduction of the ... scheme". Both articles point out that the increase represents only 57% of total arrears, so a more general deterioration in the financial position of the tenants is likely.

[26] Housing and Building Control Bill 1982, Standing Committee F, col.203.

[27] See, for example, the White Paper Better Homes: The Next Priorities (1973, para.37) which asserts that "the trend towards a municipal monopoly of rented accommodation is unhealthy in itself".

The ideological basis of government support for housing associations implies distinctive patterns of association activity. For the Labour Party these activities include the housing of special needs groups and the poor, whilst the Conservative Party is seeking to privatise much of municipal and association accommodation, and designate the remainder as welfare housing. These policies are ad hoc responses to the evolution of the housing association movement, and the policies of previous governments of different political orientations. How well is the structure of the association movement geared to these tasks? The remainder of this chapter will demonstrate that central government cannot rely upon housing associations to fulfill these objectives.

#### 5.4 Housing Association Allocation and Organisation

Section 5.4.1 will discuss the variation in the organisation and function of housing associations. Section 5.4.2 will then examine the specific characteristics of associations operating within the study boroughs. The findings will be briefly contrasted with the allocational implications of successive government policies.

##### **5.4.1 Housing Association Constitutions**

In the nineteenth century the only type of housing association was the philanthropic charitable trust. The first trust formed was the Peabody Trust (1862) and is fairly typical. In his letter establishing the fund, Peabody stated that

"it is my wish that the sole qualification for participation in the benefits of the fund, shall be an ascertained and continued condition of life such as brings the individual within the description (in the ordinary sense of the word) of "the poor" of London; combined with moral character, and good conduct as a member of society." (Quoted by Tarn, 1966, p.10)

This brought the trusts within the operation of Charity Law and to retain the benefits this confers these trusts have had to focus upon housing the poor to this day. Many employ income limitations upon eligibility for housing for this purpose (the extent to which a focus is retained upon 'moral character' being more open to change).

For nearly a century charitable housing associations operated on a relatively small scale, largely independent of government influence. The creation of exchequer funds for the promotion of cost rent and co-ownership associations in 1961 prompted the formation of a very different type of organisation. These, almost by definition, catered for middle income tenants. From 1964 they have been able to have closed membership. With the creation of the Housing Corporation in 1964, and a more generally available centralised grant in 1972, a new generation of associations developed to take advantage of available funds. In 1972 the grants were not conditional upon any specific activity being undertaken (although the project needed approval, and the emphasis was clearly on new building). In contrast, Circular 170/74 suggested that only specific activities would receive Corporation support (such as rehabilitation and catering for special needs). Housing co-operatives were first defined in 1975 [28] .

These varying policies therefore encouraged the evolution of a variety of types of housing association: co-operative, open or closed membership; catering for middle income earners or the poor; housing special or general needs. The evolutionary nature of the policies prevented the creation of associations with consistently specific functions however. A good illustration of the variability of housing association practices is provided in the division between new building and rehabilitation, and the ways in which associations with quite different constitutions can justify undertaking rehabilitation. For example, many charitable trusts were eager to take up available grants and undertake rehabilitation work for the poor (often rehabilitating their own property [29] ). Non-charitable

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[28] The definition contained in schedule 1 para.9 of the 1975 Housing Rents and Subsidies Act was vague, and was strengthened by section 2(3) of the 1980 Housing Act.

[29] This is what Samuel Lewis is currently doing in their Islington estate.

associations could promote owner-occupation at the same time as undertaking rehabilitation. Indeed, the geographical location of associations influences the balance between new build and rehabilitation, with new construction being difficult in inner city areas because of the general lack of housing land and high values of available land [30] . The Housing Corporation does not publish figures for rehabilitation and new building at this level of disaggregation. Its regional breakdown does lend some support to this assertion however (Appendix I table 2 of the 1982/83 Annual Report). Table 5.3 is derived from this. In Great Britain the ratio of rehabilitation to new build completions for 1982-83 is 1.31. In Merseyside the ratio is 4.18 and in London and the Home Counties it is 1.44. The ratio is as low as 0.49 in the combined regions of the East Midlands and the West. Whilst this does suggest more rehabilitation work in the regions with the most built up area, the level of aggregation weakens the validity of this statistical support.

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[30] Milton Wilkinson and Thurman (1981) argue that because of the structure of subsidies (p.131) "wide variations in land prices, which so profoundly affect the private sector, may apparently have only a tenuous connection with housing association development". The availability of development land in inner cities is regarded as a significant constraint however, being described (p.139) as "a serious lack of land for housing association new build schemes".



TABLE 5.3 Fair rent completions for the year 1982/83, by type by region.

Activity	New build	Rehabilitation	Ratio of rehabilitation to new build
Region			
London and the Home Counties	1,775	2,643	1.49
West	1,193	762	0.64
East Midlands	1,988	803	0.40
West Midlands	1,122	1,131	1.01
North East	2,001	2,620	1.31
North West	1,238	2,042	1.65
Merseyside	448	1,871	4.18
England	9,765	11,872	1.22
Scotland	1,034	1,081	1.05
Wales	845	2,302	2.72
Great Britain	11,644	15,255	1.31

Source: Annual Report of the Housing Corporation 1982/83.  
Derived from Appendix I, table 2.

Another variation in the practice of associations is in the scope for special need projects undertaken, and indeed, the definition of special need. For some associations special need provision entails housing the elderly (a task which until recently local authorities did not specifically undertake), whilst for others it entails utilising 'referral agencies' such as M.I.N.D., Age Concern and so on. A measure of this uncertainty is the increasing tendency of central government to allocate specific portions of the pool of available Housing Association Grant to special projects. In 1982/83 nearly 10% of the allocation to the Housing Corporation was specifically allocated to schemes resulting in ownership (see Housing Group's Role, in The Guardian, January 20th, 1982, p.2).

It is therefore difficult to infer the likely activity of an association from its title, or even year of formation. Indeed, the Directory of Registered Housing Associations (Housing Corporation, 1982) recognises this, for it codes the associations according to their main activities. The following categories are used: housing for letting; hostels; housing for letting and hostels; co-ownership and co-operative; almshouses; housing for disposal by way of sale or lease. Clearly these categories reveal little about the likely tenants of the associations.

To some extent it is easier to distinguish tenurial distinctions within housing associations (disposal-letting, indicating tenant equity holding) than it is the types of people likely to be housed. Even this distinction is confused however, for the grouping of co-ownership and co-operative associations together is surprising given the quite different nature of tenant equity holding in each. Only in the case of housing charities is allocation policy to some extent predictable, in the sense that tenants must be poor (but it has already been indicated that the Conservative Party consider some of their tenants to be insufficiently poor).

Despite these wide variations in activity, all of these associations receive government assistance through the Housing Corporation. As section 3.4.1 pointed out, such variation sits uneasily with theories of the reproduction of labour power. Indeed, in the absence of predictability, any functional theory of state support for the movement becomes untenable. It would seem that the only way to ascertain the allocation practices of the movement in general, and specific associations in particular, is to undertake detailed research. Once again, the Corporation has recognised this (in 1979) when it undertook such a survey (Bird and Palmer, Housing Association Tenants). The results of this survey will be discussed in chapter 7, but the general point to be made is the difficulty of predicting the behaviour of housing associations (the survey making little attempt to distinguish types of association, other than generalist-specialist). This variation in the type and activity of associations means that central government objectives are unlikely to be translated into corresponding outcomes. If allocational criteria cannot effectively be set, then tight-link functionalist theory is inappropriate, and other factors must shape government policy.

#### 5.4.2 Housing Associations in Islington and Westminster

Whilst the previous section has examined variations in the organisation of housing associations, some empirical evidence supporting these arguments is necessary. Interviews were carried out with officers from eleven of the thirteen largest housing associations in the London Boroughs of Islington and Westminster (Peabody refusing to participate, and the relevant officer of another being absent during the interview process). The following associations were interviewed:

Brent People's Housing Association  
Community Housing Association  
Family Housing Association  
Guinness Housing Trust  
New Islington and Hackney Housing Association  
Paddington Churches Housing Association  
St. Marylebone Housing Association  
Samuel Lewis Housing Trust  
Sutton Housing Trust  
Tennant Housing Trust  
World of People Housing Trust

Detailed information was collected upon the allocation policies of the associations (see table 5.4). The most immediately striking characteristic is the lack of priority given to selecting tenants. If central government considered the selection of tenants to be important, and desired that particular groups should be housed, one would expect support for housing associations which have predictable allocation practices based upon 'rules' which are capable of evaluation by central government. If this is not the case, central government is pursuing a policy the outcome of which cannot be known in any detail. The evidence collected during interviews with officers from housing associations suggests that allocation decisions do vary considerably and, to an outside body, are largely unpredictable. Only three of the associations maintain an active waiting list (Guinness, Samuel Lewis and Sutton). Where allocation priorities were ranked, selection was ranked first only once, third by another association and fourth by another. Referrals, an indirect method of selecting special needs, fared a little better, being ranked second twice, third once and

fourth three times. If the policies of the associations are a fair indication of their practice (and chapter 8 will address this issue), housing associations choose very few of their tenants. Nominations are ranked first on two occasions, second on one occasion and third four times. The highest priority is given to decanting existing tenants in order to facilitate rehabilitation however, being ranked first no less than five times, and second once.

**TABLE 5.4** Allocation priorities of associations in the study boroughs.

	Number of times ranked			
	1st	2nd	3rd	4th
Route to accommodation				
Decant	5	1	0	0
Nomination	2	1	4	0
Referral	0	2	1	3
Selection	1	0	1	1

Source: Interviews with associations and allocation policy documents.

It seems clear that associations have limited freedom to choose their tenants [31] . Clearly, if associations themselves have imperfect control over the selection of their tenants, the idea that 'essential' labour power will be housed by them becomes untenable (the following chapter assesses the influence of local authority nominations). There are two fairly obvious reasons for this. First, since the White Paper Fair Deal for Housing (1971, para.78) local authorities which provide financial assistance to a housing association have been encouraged to nominate tenants for at least half of the net increase in tenancies resulting from the scheme. Secondly, in order to undertake rehabilitation work

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[31] Although this table may overstate the significance of decants nationally, for the high proportion of rehabilitation work undertaken in inner London necessarily results in a large number of decants.

associations are purchasing properties with sitting tenants [32] ). Not only does the association thus have little control over the choice of these 'acquired tenants', but much of their subsequent work is devoted to decanting them to facilitate structural improvements.

For those associations undertaking significant selection, there is considerable variation in their lettings policies. Brion and Legg (1977, p.32) observe that there are "great differences in 'management ethos' between one association and another". Milton Wilkinson and Thurman (1981, p.123) suggest that

"The differences in size of housing associations were very marked. These differences in size, especially in relation to the number of dwelling units managed, led to a corresponding variation in the number and skills of the staff employed directly, or engaged as consultants, by the associations."

This was also observed during interviews with association officers in the study boroughs, and contributes to their different management practices. An inspection of their policy documents reveals the following:

Guinness maintains a chronological list, but eligibility restrictions relate to income, wealth and housing need. Income must be below the national average, and savings below the equivalent of the average annual wage.

St. Marylebone operates a five year residential qualification.

Samuel Lewis has eligibility restrictions relating to income, wealth, an identifiable housing need (overcrowding, sharing, social reasons or tenancy problems). Furthermore, the applicant must have local connections (by virtue of employment, family or friends). Income of applicant must be below the national average (although family size is taken into consideration), and savings above £3,000 must be declared.

Sutton does not currently operate a waiting list in Westminster,

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[32] According to Bird and Palmer (Housing Association Tenants, 1979, figure 3.1) 7% of association tenants are acquired tenants.

and is offering only short lets in Islington. Its general waiting list contains income and wealth eligibility criteria. Income must be below the national average.

A five year residential qualification is hardly an example of "flexibility in access and allocation" [33] , but does serve to illustrate the variety of practices manifest in the movement. Furthermore, the extent of special needs provision varies considerably. All cater for the elderly to some extent, but other categories housed include ex-offenders, young immigrants, the mentally handicapped and so on. New Islington and Hackney is a good example of an association enthusiastically catering for special needs. As at the end of June 1982 it had nine special need schemes under management, and a further nine being developed [34] . Appendix 1 indicates that of the 28 associations active in Islington, 18 cater for special need groups. Of the 27 associations active in Westminster, 21 cater for groups with special needs. Categories included vary from the needs of civil servants to the needs of 'rootless persons'. The appendix underestimates the extent of special need provision, for the register of associations prepared by the Housing Corporation in 1982, on which the appendix is based, suggests that New Islington and Hackney caters only for general needs and the needs of single parent families. The officers of the association, as already mentioned, indicated much wider provision. Further evidence of special need provision is provided by the National Federation of Housing Associations (1978, p.8) which states that

"Approximately 7% of housing association homes are for the physically disabled/handicapped or are in schemes with extra 'care'."

In addition, one third of the members of the N.F.H.A. cater exclusively for the elderly, and three quarters include some provision for the elderly (N.F.H.A., 1983, p.4).

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[33] N.F.H.A., 1977, para.50.

[34] Groups include ex-offenders, rehousing children in care, ex-alcoholics, housing the mentally ill and catering for ethnic minorities. Information obtained during interview with officers of the association.



The associations also vary in their lettings procedure. Some operate a hierarchical system staffed by qualified housing managers. Others operate an 'open' system with considerable input into the selection process from officers both qualified and unqualified in housing management (although the Trusts normally operate on the former lines, so too do many of the newer associations). Family Housing Association, for example, operates an informal allocation system. Each housing officer examines two or three cases and presents their need for rehousing to a meeting of all housing officers and the housing manager. An open 'competition' takes place, with the relative merits of each applicant, and their prospects for alternative rehousing being considered. The association does not consider its role to be to supplement the work of the local authority. Any applicant considered eligible for prompt rehousing by the local authority is referred to the borough. Only if the borough refuses to act is the applicant considered for housing [35] .

These variations mean that, as regards the selected tenants of housing associations, both the Housing Corporation and the local authorities usually have little indication of the likely outcome other than that provided in their fairly general policy documents (publication of which only became mandatory in 1980). Interviews carried out with the associations confirms a variety of policies and organisational structures (primary and secondary statistical analysis of tenant composition is contained in chapters 7 and 8).

It has been suggested that the composition of the boards of management of an association may be reflected in its allocation policies [36] . In order to ascertain the variation which this might lead to, the Housing Corporation registration files of the largest associations in the study boroughs were examined. This revealed variety also in the composition of the boards of management of the associations. Many contain local

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[35] Source: attendance at allocation meeting of the association, 1983.

[36] See Eustace Willis M.P. (Labour), 1963, quoted in section 7.1, chapter 7, where this is considered further.

professionals (architects, estate agents and so on [37] ) and local 'notables' (councillors, MP's, clergy and so on). Some associations have boards of management which differ markedly and comprise, for example, housewives, unemployed men and various non-professionals (a notable example being Holloway Tenant Co-operative [38] ).

## 5.5 Conclusions

The Housing Corporation has little control over the detailed management practices of individual associations. Most of its powers relate to the financial performance of associations. Significantly, the 1980 Housing Act imposed a duty upon associations to publish their allocation policies; a centrally imposed duty which clearly reflects the view that the supervision of the Housing Corporation was, in this respect, inadequate. The current Conservative Government is increasingly imposing obligations on individual associations directly, which confirms this view. The analysis of housing association organisation and policies confirms that there are many dimensions along which variation can occur, and it is difficult to imagine a classification of associations which would incorporate the diversity manifest in Islington and Westminster and still have any meaning [39] .

Central government advice on the allocation priorities of housing associations seems optimistic at best. Clearly there are ways in which central policies can influence association activities. The £25m fund created for use by cost-rent housing associations in 1961 was rapidly

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[37] According to Arden (1983, para.74, p.xvi), in Greater London, "62% of the members of management committees are in professional occupations".

[38] Arden (1983, para.74, p.xvi) confirms the tendency for co-operatives to have less professionals on their boards of management.

[39] Categories are provided in Voluntary Housing, 1971 (Reference Sheet No.4). These are: (i) general family, (ii) old people's, (iii) industrial workers, (iv) self-build, (v) cost rent, (vi) co-operative and co-ownership, (vii) special purpose. This list suffers from three problems. First, its length indicates the diversity within the movement, and lessens its usefulness. Secondly, grouping co-operative and co-ownership indicates a misconception of their roles. Thirdly, there can be considerable variation within these categories.

exhausted. Table 3.2 (chapter 3) indicated the rapid increase in association rehabilitation following the 1974 Housing Act. The type of activity undertaken by associations can be influenced, and if it is possible to predict the likely allocational implications of these policy changes then central government can indeed influence the allocational practices of housing associations. It has already been suggested that the 1974 Labour Government encouraged rehabilitation in an attempt to break the mould of the middle income housing association tenant, and instead encourage associations to acquire poorer sitting tenants.

The notion of central government striving to implement its own policies through the Housing Corporation is contradicted somewhat by central government support for local authority nominations. The development of a distinctive role for housing associations is jeopardised if most of their tenants are selected by local authorities (in Camden, for example, nominations range from 75% to 100%, whereas in Islington and Westminster nominations comprise 50%).

Ministerial advice on the role of housing associations has consistently located them in terms of ownership and control as being either primarily state run or primarily privately run bodies. The reality is more complex. Housing associations are now firmly established in the middle ground between public and private enterprise; they still rely upon voluntary effort (with unelected and unpaid boards of management) yet receive central government grant and accept local authority nominations. In addition to their tenurial status remaining ambiguous, their allocation policies include elements favouring private ownership, such as co-ownership and build for sale, where the economic basis of the projects goes a long way in determining the tenant composition, and charitable provision where the tenants must be poor.

Whilst cost renting may have encouraged a fairly distinct role for housing associations, today the movement displays such a curious mixture of public and private initiative that any clear predetermined allocational role is hard to imagine. Both major political parties now seem to regard associations as quasi-public sector bodies, and are willing to permit local authorities to significantly influence their activity

(through the associations need for local information, nominations and, to a lesser extent than hitherto, finance).

Indeed, if the Housing Corporation was originally created as an institution to separate housing association activity from the realm of local government (as section 3.4, chapter 3 suggests), the movement has come full circle, for although local authorities provide much less finance than before its creation, they now nominate more tenants than they have ever done before. It is unlikely that central government would have permitted this outcome if it desired to functionally dictate the precise nature of association activity.

### 6.1 Introduction

Local authorities which enter into financial arrangements with housing associations for the provision of accommodation can reserve 'nomination' rights over the subsequent lettings. M'Kenzie-Hall (1971, p.110) defines nominations thus:

"The term 'nominations' is used where, as a condition of the loan agreement, vacancies must be offered to the local authority." [1]

Since the publication of the White Paper Fair Deal For Housing (1971, para.78) local authorities have been encouraged by central government to reserve nomination rights over at least 50% of the association's net increase in lettings. Local authorities are therefore in a position to significantly influence the nature of housing association activity, despite the recent decrease in the scale of their financial commitment to the movement (see table 3.4, chapter 3). This raises two questions central to a discussion of functionalist theory. First, if central government is pursuing functional objectives, why should it allow local authorities this means of influencing association activity? Secondly, are local authorities themselves likely to adopt the ideological attitudes of the main political parties; in other words, how will the relationships between local authorities and housing associations develop?

This chapter addresses the former question through a discussion of the latter. The variety of central government proclamations on the role of housing associations is reconsidered, and their implications for local

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[1] N.F.H.A. (1977, para.10) suggests that local authorities now claim nomination rights even where they do not lend money.

authority activity outlined. The possible range of local authority responses is theoretically analysed. The expenditure programmes and stock characteristics of the thirty three London Boroughs are considered and a detailed analysis of the policies of the London Boroughs of Islington and Westminster is undertaken. The chapter concludes by considering whether the extent of local discretion, and the ways in which it is used, is compatible with economically functionalist theory.

## 6.2 The Range of Local Authority Attitudes Towards Housing Associations

The desired relationship between local authorities and housing associations is a Party political issue. This was revealed most clearly in 1974, in the debates surrounding the Conservative Housing and Planning Bill and the Labour Housing Bill. Clause 41(4) of the Conservative Bill would have permitted the Secretary of State to direct a local authority to sell land that it owned within a housing action area to a specified housing association. This implied a preference for association activity over that of local authorities, and was strongly opposed by the Labour Party. The Labour Bill omitted the clause in order to reassert the primacy of local authorities in the provision of rented housing. Sir Peter Emery M.P. (Conservative) proposed an amendment to the Labour Bill restoring the Conservative clause. The exchange which this provoked between Sir Peter Emery M.P. and Gerald Kaufman M.P. (Standing Committee B, 1974 Housing Bill, cols.208-211) clearly exposed the different ideological bases of their support for the association movement. Clause 41(4) and Emery's amendment implied a dominant role for housing associations in the provision of rented accommodation. Kaufman's response (col.210) is unequivocal:

"it is, above all, through local authority action that the worst housing areas can be saved from further physical decline and social misery, and then be permanently improved. It is the local authorities alone which have the capacity and the responsibility to tackle the major housing needs, and they will increasingly become the principal suppliers of rented accommodation."



The ideological difference is clearly whether local authorities or housing associations should have main responsibility for providing rented housing in the light of the decline the privately rented sector. The Conservative position is that associations should to some extent replace local authorities in the provision of rented accommodation. The Labour position is quite different. As Kaufman (col.211) put it

"It is inappropriate ... that a local authority, as an elected body with powers of compulsory purchase which successive Governments have thought it right authorities should have, should at the moment they exercise those powers be put under a statutory obligation to state to a voluntary body their proposals to dispose of property they are so acquiring."

Since the Labour Government did not envisage a replacement role for housing associations, it had to define a legitimate sphere of housing association activity subordinate to local authority provision. Circular 170/74 (issued under the Labour Government) did this. Paragraph 34 suggests that associations should, inter alia, meet the needs of groups with special housing problems and needs and relieve housing stress in housing action areas. The former activity is, almost by definition, outside of the scope of local authority activity. Since it represents activities slightly different from those of a local authority (focussing upon different types of people in housing need), it can be described as complementary activity. The latter activity may be very similar to that of local authorities, but the relationship between local authorities and housing associations envisaged by the Labour Party suggests that such activity would be supplementary to local authority activity (i.e. not dominant).

The range of relationships proposed by successive governments therefore suggests that local authorities should regard housing associations as either:

- (i) replacing municipal provision
- (ii) supplementing municipal provision
- (iii) complementing municipal provision

Local authorities are capable of formulating their own policies towards the role of housing associations. Chapter 2 discussed the nature of local political pressures and the influence this can have on local policy formulation. It was argued that these local pressures may lead local authorities to implement policies at variance with the wishes of central government. The study of housing associations provides an excellent example of these themes. For example, one possibility not mentioned by any recent government is that associations should be regarded as having no specific role. Since central government cannot precisely determine how Housing Strategy and Investment Programmes are drawn up, and local authorities have their own political pressures and priorities, it is possible for a local authority to pursue a strategy which ignores associations. Any given local authority is therefore free in principle to decide which of the four principal strategies it wishes to pursue. The relevant issue is the extent to which local policy will reflect the pro- and anti-municipal stances of central government, for if this occurs, delegation of responsibility through nominations becomes more understandable. Central government may be able to rely upon local authorities to implement its objectives.

If local authorities behave in a purposive-rational manner, and consciously pursue one of the four relationships outlined above, it is possible to develop a set of ideal-type relationships, and the types of association activities implied by them. The way in which a local authority perceives the function of housing associations would be reflected in its policies towards them, and towards its own housing provision. If a local authority considers that associations have no role then the authority itself must house groups that are not catered for by the private sector. The local authority is therefore assuming full responsibility for 'public' housing. This can therefore be described as a pro-municipal stance (with municipal activity pre-eminent). There could still be considerable differences in the extent to which local authorities perceive the private sector as failing to meet the needs of the people of its area.

If a local authority perceives associations as largely replacing its own provision this is clearly an anti-municipal stance (with association provision pre-eminent). Again some scope for variation exists; the local

authority may offer financial support to associations and use its nomination rights to ensure that the groups suffering the most acute housing problems, or capable of mounting the strongest political protest, are housed. On the other hand, the local authority may consider housing these groups to be its only legitimate function, and display a lack of interest in the allocation practices of associations (it may utilise nomination rights to clear its waiting list, or simply inform applicants that they should approach a housing association).

Harloe, Issacharoff and Minns (1974, p.78) firmly place the Conservative Greater London Council (1967-1970) within this latter category:

"the GLC's attitude towards the role of housing associations did not fit in with a broader planning policy of catering for different types of households. The GLC's interest in housing associations arose from its concern to increase the part played by private enterprise and other non-council institutions in the housing market. It was related to the other aspects of GLC housing policy such as the increase of mortgage funds for owner occupation and the reduction of the council house building programme. The GLC was not concerned with analysing what types of households would increasingly lose out as a result of such an emphasis in housing policy."

This view is shared by Young and Kramer (1978, p.81) who argue that Cutler, when Conservative chairman of the housing committee, pursued policies intended "to repudiate the GLC's own building role in favour of the private sector and housing associations" [2] .

The last chapter indicated that a local authority is in no position to rely upon a housing association to fulfill certain allocational objectives in the absence of nominations being taken up (even the policy documents published following the 1980 Housing Act are general and vague, and provide little guidance). Failure to consider the allocational

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[2] Swann (1975, p.116) states that the Royal Borough of Kensington and Chelsea, and Brighton Borough also adopted this strategy. Indeed, table 6.3 (below) reveals that in 1981-82, Kensington and Chelsea devoted nearly 70% of its H.S.I.P. money to support for associations.

practices of associations suggests that a local authority is more concerned with tenurial distinctions than who gets housed. If a local authority does not analyse association allocation practices, to the extent that the association selects its own tenants, the local authority cannot know the allocational outcome of its policy of support. The local authority cannot know whether groups in need are being housed by the association. This suggests that support for housing associations as a tenure overrides the requirement for full information on the implementation of policy.

Perhaps the most complicated situation is that of a local authority which regards associations as complementary to its provision. If complementary means association activities somewhat different from local authority activity, but which have a private sector orientation, then one might expect an authority to assist associations which facilitate some form of ownership (such as co-ownership, build for sale or stepped purchase), or the private management of public stock (such as local authority estate co-operatives, relieving the local authority of some of its management responsibilities). In these cases the allocation policies of the associations are to some extent determined by the nature of the schemes.

There can also be a public sector orientation to complementary activity. This may involve a local authority promoting new co-operatives, or associations catering for categories of people in special need whom associations are better placed to house in the short run (because of the characteristics of their stock or their informal links with welfare organisations). Whilst there is still a concern with tenure distinctions here, the local authority is likely to take an interest in the types of people being housed by the associations, to ensure that assistance is being given to people who satisfy some criteria of social need.

Associations may also be seen as supplementing local authority provision. This can be achieved by nominating council applicants, which reduces pressure on the waiting list, or by relying upon associations to house people in need. This cannot be an anti-municipal strategy, for to be so the local authority would have to simultaneously reduce its own housing

activity, and this would then fall into the category of replacing municipal provision. To be genuinely supplementary the local authority would have to endeavour to be as active as possible itself whilst supporting, and encouraging the Housing Corporation to support, local housing associations.

Finally, housing associations may be seen as having no role. Although both Conservative and Labour local councils may adopt this strategy, the arguments propounded by Swann (1975) suggest that a Labour authority is more likely to be hostile to associations, seeing them as a threat to municipal activity. As Swann (1975, p.120) puts it, in order

"to head off the current challenge by housing associations, local authorities will have to respond to some of the demands which it is being claimed ... that the associations could better meet: in particular, the demand for more flexible allocation, and the demand for tenant control."

Whilst this may be true of a local authority which wishes to attempt to show that its form of provision is superior to association provision (which is the ideological task set by Swann), it is not the only case in which the local authority may fail to support housing associations. Any local authority is quite free to refuse to provide assistance to the housing association movement.

Clearly these categories are ideal-types, and the relationship between a local authority and an association may vary over time. Indeed, such categories may present a purposive rational model of local government which exaggerates the amount of analysis undertaken by local government professionals and politicians. In this case elements from more than one strategy may be present. The remainder of this chapter considers the relationship between local authorities and housing associations in London, in order to assess the extent to which local authorities perceive associations as an anti-municipal or pro-municipal tool. Such policy rationalisation may not be present at all. It is necessary, therefore, to examine the variation in municipal policies. As in the earlier discussion of housing associations, local variation, however caused, sits uneasily with policies which are intended to be functionalist for central

government.

### 6.3 Local Authority Expenditure Within the Greater London Area

Over half of all households renting property from a housing association live in London [3] . Within the Greater London area 4% of all households rent property from a housing association [4] , whereas nationally only 2% rent from an association [5] (see table 6.1).

**TABLE 6.1** Percentage of households in each tenure  
(England and Wales).

Tenure	Percent
Owner Occupied	58.1
LA/NT	28.8
Housing Association	2.0
Rented Unfurnished	6.1
Rented Furnished	2.9

Source: 1981 Census, Housing and Households.  
Derived from table 2.

Because over half of all association households live in London, a focus upon housing associations and their relationships with local authorities in London is statistically representative of the situation in the whole country. In another sense London is not typical. It has particularly severe problems with land supply and cost, and this encourages associations to undertake rehabilitation work. Table 5.3 (chapter 5) illustrated the geographical variation in the ratio of rehabilitation to new building

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[3] GLC, 1981, para.5.4.

[4] 1981 Census, Greater London County Report Part 1, table 39.

[5] 1981 Census, Housing and Households, table 2.



undertaken by associations, with rehabilitation more prevalent in regions with more large towns.

This is not a major theoretical problem however. The purpose of a case study is to illustrate possible contexts for policy formulation and their outcomes, not to prove that particular situations will be replicated nationally. As Dunleavy (1981, p.199) puts it:

"the basis for generalization from a real case study is not the typicality of the case in any sense, but the logicity of the analysis of the case. The case demonstrates the operation of general principles in a defined context (the real context). Problems of choosing a typical case in this approach disappear, and the uniqueness and particularity of each case study is explicitly recognised."

It is sufficient from the theoretical standpoint of this thesis to identify examples of the categories listed in the previous section, and to demonstrate the extent of local variation. If support of housing associations is intended to serve certain functional requirements (e.g. the reproduction of specific types of labour power), then one would not expect to see central government encouragement of local authority influence if the result of this influence is indeterminant, and likely to hinder the achievement of the functional objective. If, on the other hand, central government policy is merely intended to promote the concept of non-state solutions to housing problems, then the existence of housing associations is sufficient, and policy implementation becomes less significant.

TABLE 6.2 Percentage households by tenure  
by borough (GLC area).

Area	Percentage				Total Households
	Housing Association	Local Authority	Owner Occupied	Privately Rented	
Gr. London	4.1	30.7	48.6	15.1	2,505,274
Inner	6.7	42.8	27.3	21.5	964,217
Outer	2.4	23.2	61.9	11.2	1,541,057
Kensington and Chelsea	12.3	14.0	31.7	38.9	56,068
Hammersmith	9.9	28.0	30.1	30.6	61,028
Westminster	9.6	29.2	20.7	36.1	73,132
Islington	8.3	55.6	17.0	17.4	64,299
Hackney	7.3	57.5	16.6	17.8	68,445
Lambeth	6.7	43.2	26.6	22.0	95,593
Southwark	6.6	65.0	15.8	11.4	82,892
Camden	6.2	38.9	23.8	29.1	70,048
Haringey	5.4	28.5	43.6	21.5	77,083
Lewisham	5.0	43.6	37.1	13.3	88,300
Wandsworth	4.9	35.3	35.5	22.7	98,176
Tower Hamlets	4.8	82.0	4.6	7.2	52,976
Greenwich	4.3	47.1	38.6	8.3	77,971
Brent	3.9	22.1	53.9	19.1	89,262
Ealing	3.6	20.9	57.3	16.9	100,243
Newham	3.4	39.0	41.6	15.1	74,176
Hounslow	3.4	30.0	53.2	12.1	72,973
Sutton	3.0	20.1	68.1	7.8	63,595
Waltham Forest	2.9	25.0	54.9	16.3	80,643
Bromley	2.9	17.2	69.9	8.8	109,074
Croydon	2.8	18.8	64.7	12.4	114,564
Richmond	2.7	14.7	62.4	18.6	63,983
Hillingdon	2.5	26.8	61.4	7.0	81,590
Barnet	2.3	19.1	62.2	14.4	106,045
Merton	2.2	21.8	61.7	13.0	63,963
Kingston upon Thames	1.8	14.3	68.9	13.3	51,358
Bexley	1.7	19.1	73.0	5.5	77,461
Harrow	1.4	13.0	74.7	9.7	70,398
Redbridge	1.2	15.2	73.0	9.7	82,741
Havering	1.2	21.0	72.4	4.5	84,422
Enfield	1.2	22.5	66.2	9.0	95,013
City	0.4	69.2	4.9	11.0	2,001
Barking and Dagenham	0.2	65.3	31.4	2.6	55,758

Source: 1981 Census, Greater London County  
Report Part 1. Derived from table 39.

Table 6.2 shows the percentage of households in each of the main tenures in all London Boroughs. It is noticeable that the proportion of households renting from a housing association is nearly three times higher in inner London than in outer London [6] . To some extent this reflects the recent emphasis on rehabilitation and the greater need and scope for this in inner London. The second notable feature of the table is the variation in the proportion of housing association tenants in each borough. Barking and Dagenham has only 0.15% of its households renting from an association. In Kensington and Chelsea one in every eight rent from an association.

The extent to which such variation is a result of local authority policies can be assessed by examining the borough's H.S.I.P. bids. Table 6.3 shows the 1981-82 bids for the London Boroughs. The inner London Boroughs spent a total of £44,023,000 on associations in 1981-82, an average of £3.4m. The outer London Boroughs spent £19,517,000 in total, an average of only £1.0m each. Put another way, in that year each of the inner London Boroughs spent roughly three and a half times the money that the outer London Boroughs did [7] .

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[6] Inner London comprises the City, Camden, Hackney, Hammersmith and Fulham, Haringey, Islington, Kensington and Chelsea, Lambeth, Lewisham, Newham, Southwark, Tower Hamlets, Wandsworth and Westminster.

[7] The difference in expenditure between inner London and outer London Boroughs is greater for expenditure on associations (inner spending 2.3 times outer) than for total expenditure (1.9 times).

TABLE 6.3 HSIP payments 1981-82 (GLC area).

Expenditure Area	Block 1 [1]	Block 2 [2]	Block 3 [3]	Total	Percent Block 3/ Total
Greater London	481,347	43,163	74,793	599,303	12.5
Inner London	257,886	18,455	44,023	320,364	13.7
Outer London	126,466	18,855	19,517	164,838	11.8
Kensington and Chelsea	7,198	1,082	16,851	25,131	67.1
Hammersmith	14,011	2,173	4,117	20,301	20.3
Westminster	11,867	3,260	4,970	20,097	24.7
Islington	36,714	1,050	1,097	38,861	2.8
Hackney	18,617	1,392	5,670	25,679	22.1
Lambeth	34,202	1,261	162	35,625	0.5
Southwark	28,906	908	433	30,247	1.4
Camden	25,621	763	2,815	29,199	9.6
Haringey	20,550	2,137	2,876	25,563	11.3
Lewisham	19,589	756	1,407	21,752	6.5
Wandsworth	16,627	2,044	3,263	21,934	14.9
Tower Hamlets	8,634	324	140	9,098	1.5
Greenwich	16,958	682	19	17,659	0.1
Brent	20,095	1,251	3,706	25,052	14.8
Ealing	11,329	1,453	3,370	16,152	20.9
Newham	14,529	1,305	222	16,056	1.4
Hounslow	7,252	745	506	8,503	6.0
Sutton	3,273	573	102	3,948	2.6
Waltham Forest	7,888	881	1,538	10,307	14.9
Bromley	5,118	1,299	1,427	7,844	18.2
Croydon	6,737	1,012	972	8,721	11.1
Richmond	2,164	925	1,566	4,655	33.6
Hillingdon	10,015	961	599	11,575	5.2
Barnet	6,724	508	454	7,686	5.9
Merton	5,090	1,322	54	6,466	0.8
Kingston upon Thames	1,913	1,060	5	2,978	0.2
Bexley	1,841	688	4,275	6,804	62.8
Harrow	3,131	614	9	3,754	0.2
Redbridge	2,040	3,379	610	6,029	10.1
Havering	3,707	244	38	3,989	1.0
Enfield	8,037	974	225	9,236	2.4
City Barking and Dagenham	821	0	0	821	0.0
	3,154	284	42	3,480	1.2

Source: GLC (1983). Derived from table on p.41.

Note: [1] Block 1 covers the municipal programme;

[2] Block 2 covers assistance to the private sector;

[3] Block 3 covers grants to housing associations.

Since expenditure levels partly reflect policy priorities, the variation around the mean expenditure on associations is significant. In 1981-82 12.5% of H.S.I.P. money was spent on associations on average. In the City of London nothing was spent on associations, whilst in Kensington and Chelsea 67% was spent on associations. Clearly there is considerable variation in the extent to which local authorities are willing to allocate their H.S.I.P. money to associations.

Whilst stock and expenditure patterns provide a good reflection of policies, there may be particular problems over which the local authority has little control (for example, exceptionally high housing need). In order to accurately assess the objectives of a local authority its actual performance should be compared with its policy documents. The following section analyses the policies of the case study boroughs.

#### 6.4 The Policies of Islington and Westminster Towards Housing Associations

##### **6.4.1 Introduction**

It is difficult to establish which relationship between a local authority and an association is being sought simply by examining the 'type' of association being assisted by a local authority; chapter 5 demonstrated that it is difficult to predict the allocational behaviour of a housing association. Ideally, the local authority should examine the past activity of the association in order to assess the special skills and experience that it can usefully apply to meeting the housing needs of its area. Prima facie, the lack of such inquiry suggests that support is seeking to replace municipal activity. The more a local authority allocates its own expenditure to housing associations, and the less interest it takes in the people being housed as a consequence, the more it is possible to infer that the local authority is pursuing a strategy of replacing its own provision with association provision; its concern being primarily with tenure rather than housing allocation. Although a local authority may assume that associations are meeting needs which the authority cannot accommodate itself, without an analysis of the allocational performance of

associations, a local authority cannot consciously promote associations as having a supplementary or complementary role. If the local authority does examine the past practices of an association before offering support it must be assumed that the authority approves of the association's practices. Thus a study of the association may indicate the objectives of local authority support.

Nominations are another key to local authority intent. Interviews with housing associations have revealed that the London Borough of Camden sometimes claims 100% nomination rights. That the borough can determine the tenant composition of the entire scheme is not conclusive evidence of intent either; the attitude of the local authority towards the role of its own provision will be reflected in the types of households that it chooses not to house itself through this process. Failing to take up nomination rights is *prima facie* evidence of an intention to replace municipal provision; a concern with who does the housing rather than who gets housed. If nominations are taken up the types of households benefitting from this process must be ascertained if objectives are to be established. Ideally this would be done through a direct survey of nominated households to avoid the problem that policy statements do not always accord with outcomes in practice. Since there was insufficient time or financial resources to do this, it is necessary to rely on policy documents instead.

The local authority's other housing policies will provide a context which will better explain the nature of support for associations. Again, more H.S.I.P. money spent on associations rather than the municipal programme is evidence of an intention to replace municipal activity [8]. H.S.I.P. money that is not granted to housing associations (expenditure head 7) will be divided between local authority provision (heads 1-3), municipalisation (head 4) and assistance to the private sector (heads 5 and 6). The way in which an authority allocates expenditure between heads 1 to 6 will reveal much about its priorities between public and private

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[8] The boroughs were selected in order to minimise population differences, in order that expenditure levels can be attributed to explicit policies of the local authorities and the associations, rather than physical or social 'constraints' upon them (see chapter 4).



sectors, and it would be anticipated that this attitude will be reflected in its support for housing associations.

#### 6.4.2 Housing Need and Expenditure

Some of the information relating to local housing need can be gleaned from the borough's H.S.I.P. forms. Table 6.4 indicates the extent of housing need in each of the case study boroughs. Whilst this is useful in providing a control for comparing expenditure proposals, it must be borne in mind that since the boroughs compile these figures they are not objective or independent measures (i.e. they may themselves reflect policy predilictions).

**TABLE 6.4** Housing need in Islington and Westminster (1983).

	Islington	Westminster
Total Dwellings	71,675	100,738
Unfit Dwellings	11,905	3,621
Lacking Amenities	2,409	9,509
Needing Renovation	10,972	10,714
Total Needing Action	25,286	23,844
Percentage of Stock	35.3	26.7
Overcrowded Households	2,923	0
Specialised Households	749	347
Concealed Households	871	0
Sharing Households	4,188	0
Homeless Households	932	758
Total in Need	9,663	1,105

Source: HSIPs from Boroughs (1984-85).

The stock figures indicate that Islington has a similar need for clearance and improvement, whilst Westminster has a greater need for improvement than clearance. 17% of the stock in Islington is unfit, and 18% is in need of improvement. Only 3% of the stock in Westminster is unfit, whilst 20% is in need of improvement. Current government guidance favours association rehabilitation [9] , so it is possible that one should expect more Corporation sponsored activity in Westminster [10] . Local authorities themselves are not obliged to follow this advice, although failure to do so may mean that associations assisted may be less likely to receive Corporation subsidy. Westminster has a similar number of dwellings in need of action as Islington, but less households classified as being in need. Overall one would expect similar expenditure levels in the two boroughs.

Table 6.5 shows the details of the H.S.I.P. expenditure for the two boroughs for 1983-84. The table is subdivided according to the archaic system of blocks, since these still accurately describe the division between expenditure on the municipal programme, the private sector, and on housing associations.

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[9] See Circular 170/74, which still applies, and Corporation circular 24/81, para.12.

[10] See table 6.6. This is not, in fact, the case.

TABLE 6.5 H.S.I.P. payments for Islington  
and Westminster (1982-83).

Area	Islington	Westminster	Total
(a) TOTAL (£000s)			
Block 1 (public)	56,381	10,790	67,171
Block 2 (private)	1,776	5,093	6,869
Block 3 (associations)	498	5,713	6,211
TOTAL	58,655	21,596	80,251
Municipalisation	1,540	73	1,613
(b) COLUMN %			
Block 1 (public)	96.1	50.0	83.7
Block 2 (private)	3.0	23.6	8.6
Block 3 (associations)	0.9	26.5	7.7
TOTAL	100.0	100.0	100.0
Municipalisation	2.6	0.3	2.0
(c) ROW %			
Block 1 (public)	83.9	16.1	100.0
Block 2 (private)	25.9	74.1	100.0
Block 3 (associations)	8.0	92.0	100.0
TOTAL	73.1	26.9	100.0
Municipalisation	95.5	4.5	100.0

Source: HSIPs from Boroughs (1984-85).

The table indicates a considerable difference in total expenditure, Islington spending 2.7 times the sum that Westminster spent. Parts (b) and (c) clearly indicate that Islington directs more money towards municipal provision than Westminster does, both proportionately (96% compared to 50%) and in absolute terms (£56m compared to £11m). Whilst Islington spent 5.2 times as much on block one in total, this ratio is exceeded in the case of municipalisation, where it spent 21.1 times as much. At national level Labour Party support for associations dates from their decision that

compulsory acquisition of property was becoming prohibitively expensive, and that associations could be used as an alternative means of securing the 'public' improvement of older property. In view of the active municipalisation programme of Islington it is hardly surprising that it spends less on associations than Westminster.

Despite relatively similar overall assessments of housing need (see table 6.4), Westminster is spending considerably less than Islington. Furthermore, Westminster favours the private sector and associations, whilst Islington is favouring its own municipal programme. As table 6.2 indicates, Islington has a much higher proportion of municipal stock than Westminster. This is hardly surprising, for appendix 2 reveals that Islington consistently allocates more of its H.S.I.P. to the municipal programme. In the years 1981-82 to 1985-86 (estimate), this difference is never less than 27%. The level of association provision in the two boroughs is very similar (8.33% in Islington and 9.56% in Westminster). Clearly, whilst the local authorities are spending very different sums of money on associations, other factors are intervening to influence the level of association activity, and are tending to equalise association provision in the two boroughs. One possible influence is that of the Housing Corporation. In 1983/84 the Corporation allocated £13.182m to associations in Islington, and only £7.509m to associations in Westminster [11] . This does help to explain similar overall levels of provision in the two boroughs, for as table 6.6 shows, the total spent in the two boroughs is similar.

Another factor which may influence the extent of association provision in the study boroughs is the support that the Greater London Council has offered associations in these areas. In fact, the GLC has assisted associations to a greater extent in Islington, and this also helps to explain similar levels of provision, despite the wide variations in their Housing Strategy and Investment Programmes. Ranking the London boroughs in order of magnitude of association provision facilitated by GLC finance,

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[11] Data obtained during interview with Chief Development Officer of the Housing Corporation, 21st December, 1983.

Islington is 5th, whilst Westminster is only 19th [12] .

TABLE 6.6 Total expenditure on associations in the study boroughs, 1983/84 (excluding GLC expenditure) (£000s).

Borough	Islington	Westminster
Source of finance		
Housing Corporation	13,182	7,509
Local Authority	3,145	5,850
Total	16,327	13,359

Source: Interview with Chief Development Officer of the Housing Corporation, December 1983, and HSIPs from Boroughs.

Note: Local authority figures are HSIP estimates.

#### 6.4.3 Housing Policy Documents

Another method of assessing the attitudes of a local authority towards housing associations is to analyse the local authority's housing policy documents. In 1969 [13] the London Borough of Islington (LBI) passed a policy of support for small housing associations. Later that year [14] a zoning policy [15] was proposed (this proposal does not correspond to current zones; see appendix 4). Rules for the reservation of nomination rights were proposed. These are the same today.

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[12] Arden (1983, table 4.30). There is, in fact, a very poor correlation between borough expenditure and expenditure by the Greater London Council (see appendix 3).

[13] 07/10/79, Council Agenda.

[14] 19/12/69.

[15] A zoning policy comprises two stages. First, areas are defined within which associations should restrict their activities. This serves to prevent duplication of activities. Secondly, specific associations are designated within these areas (usually one per zone) which will receive favourable assistance from the local authority (to the exclusion of all other associations).

In anticipation of the 1974 Housing Act, and its emphasis on rehabilitation, the LBI prepared a twenty-five page report on housing associations [16] in 1973. This paper sought to identify the role of housing associations in terms of their allocation priorities, and the extent to which associations could fulfill their own objectives. The report also considers the relationship between association provision and municipal provision. Three aspects of association activity are specifically mentioned. First, associations have a useful role in catering for special needs; people who "fall through the council's net" (p.2), thus fulfilling a supplementary role. Secondly (p.3),

"There are ... particular advantages in Housing Associations taking on the task of rehabilitation rather than the council."

The intention here was that associations would protect the integrity of municipal slum clearance by preventing the decay of older property necessitating further clearance in the future. Evidently anticipating the provisions of the 1974 Act, the report suggested that associations rehabilitate 4,000 of the borough total of 18,500 properties in a state of disrepair. [17]

The third aspect of association activity discussed is more general (p.1).

"Associations and Trusts aim to provide cheap, rented accommodation for lower income groups who could not possibly afford to buy a home of their own. They may therefore be seen as supplementing the Council's work at a time when the Council's waiting list alone contains over 11,000 names."

The reference to provision for the poor prevents this statement from suggesting that any activity which leads to the provision of rented accommodation is fulfilling a role equivalent to that of the local authority. Indeed, the tenants of cost rent and co-ownership associations

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[16] The Role of Housing Associations and Trusts.

[17] The discussion of the 1982-83 H.S.I.P. above, which identified some 12,000 unfit dwellings, indicates that this relationship may not have significantly altered.



would be unlikely to be amongst the most needy of the Council's waiting list applicants. This perception is reinforced later (p.12).

"Although the specific aims of each housing association and Trust varies it is possible to say in general that their aim is to provide satisfactory, cheap rented accommodation for low income people in housing need for whose housing problems there is no immediate solution."

These aims are approved of, indeed are said to be "similar to those of the local council" (p.12). This suggestion of a supplementary role for housing associations is confirmed when the findings of the London Housing Associations Committee are quoted (on p.12):

"Housing associations are not an alternative, they are an additional source of energy and expertise and provide something extra, on top of everything the council is doing."

Subsequently however, the complementary role of associations is considered legitimate when it is suggested (p.12) that their allocation flexibility renders them "more than just an extension of the local authority". From the balance of argument in the report, it is clear that the LBI considers supplementary activity to be the primary task of housing associations.

The remainder of the report seeks to demonstrate the extent to which associations are meeting these supplementary and complementary roles. This indicates a desire to monitor association performance in order to justify support for them. The extent to which associations are free to house people that they would like to is analysed. The main constraints noted are the need for associations to accept council nominations, and the practice of acquiring tenanted properties. It is argued that associations are able to select very few tenants, because of the constraints imposed on them by the types of activities being undertaken; rehabilitation necessitating much decanting. In an attempt to ascertain the outcome of this process Circle 33 Housing Trust provided the LBI with data on one sixth of their

tenants. Despite the various sources of tenants [18] , the result of the process was the housing of needy groups, such as single parent families and people claiming supplementary benefit.

Information was less readily available from other associations, and the report concludes uncertainly (p.21)

"It would seem that the Associations and Trusts together are providing for a wider variety of people than the Council and by their existence ... people with little or no chance of obtaining Council accommodation have an opportunity of being housed through another housing agency. However, it is not possible to substantiate whether this is actually the case."

Despite the difficulties of obtaining statistical evidence admitted in the report, the report represents an attempt to provide the information upon which to make logical decisions regarding the nature of support of the housing association movement.

Council nominations came up for review [19] in 1974. This followed the rejection of some nominated tenants by housing associations. The report described the constraints on the acceptance of nominations by associations. First, charitable rules constrained eligible tenants. Secondly, agreements between associations and the council sometimes restricted the types of tenants eligible for nomination. Finally, the high level of rents on association new building restricted the feasibility of nominating certain tenants. The report concluded that association behaviour was justified and that past practice should continue.

The increasing scale of municipal nominations led the Research Team [20] to suggest the appointment of a full time housing association officer in 1975. The Research Team disliked the ad hoc nature of the system, and the fact that

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[18] See chapters 7 and 8 for details of the various routes by which tenants are housed by associations.

[19] 17/10/74, Housing Associations-Nominations, The Housing Manager.

[20] 24/12/75, Housing Associations, Procedures and Statistics, Housing Research Team.

"There is no means of getting a profile of who is being nominated to Housing Association property." [21]

The Research Team suggested that instead of taking nominations directly from the Lettings Department, a special list of available property and suitable tenants should be compiled (this is much the way in which the system now works). The intention was to facilitate better matching of tenants to properties.

By 1976 [22] the target for association rehabilitation had been raised to 10,000 in ten years. The zoning policy was reaffirmed and its objectives were stated to be; to promote efficient housing management by concentrating properties under one ownership; to prevent competition between housing associations for the acquisition of properties; and to enable effective overall co-ordination of housing policy in the borough. A zoning policy confers considerable benefits upon a few specific housing associations.

The above discussion has suggested that a local authority which desires that associations supplement their own work should undertake research on the associations that it assists. The existence of a zoning policy increases the need for such research, for the financial and administrative benefits of local authority support are being concentrated upon a few privileged associations. In this case however, the LBI seemed to be more concerned with the general administrative objectives listed above, than the precise activities of the associations concerned.

In 1979 [23] the role of housing associations was reviewed again:

"In some areas, provision by housing associations is seen as an alternative to Council housing; in other areas, including Islington, housing associations are seen as complementing Council housing."

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[21] Ibid., p.3.

[22] Housing Policy Review, Document 8, Housing Associations.

[23] 16/12/79, Housing Associations- Briefing Note for the Leader, p.1.

Here 'complementing' simply means that associations are not meant to replace municipal activity. Whether association activities were intended to be supplementary or complementary was clarified later, when details from the 1980-81 H.S.I.P. bid were referred to [24]

"As well as providing a valuable addition to the Council's programme for acquisition and improvement of the private sector [associations] provide an invaluable role in providing assistance for more specialist provision, often in conjunction with voluntary organisations. Islington works closely with three zoned associations (Circle 33 Housing Trust, New Islington and Hackney Housing Association and Holloway Tenant Co-operative) and regular meetings are held to discuss policy, performance and other issues. Some scope exists for growth in the contribution of housing associations in Islington, both in terms of their capacity and the outstanding need for improvement and conversion and new housing for special needs."

This is consistent with the borough's earlier statements, and again emphasises a supplementary role. In the 1983-84 H.S.I.P. similar comments were made (except that Holloway Tenant Co-operative was not specifically mentioned and, almost certainly because of an awareness of the financial limitations on the borough, the hope for growth in the association movement was not expressed). The 1984-85 H.S.I.P. (para.49) expresses similar sentiments:

"Housing Associations and Co-operatives provide an important addition to the Council's own programme for the purchase and improvement of older properties to supply homes to rent. They also play an invaluable part in the development of more specialist accommodation."

As regards association allocation, the LBI clearly envisages a supplementary role (rehabilitating older property in order to prevent the borough's clearance task increasing) and a complementary role (housing special needs). Only 50% of association lettings are determined by the

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[24] Ibid., p.2.

housing associations, so the nomination practices of the LBI must also be examined.

Discussions with LBI officials in 1983 revealed that an officer is specifically responsible for nominating tenants to housing associations. A list is kept of applicants to the waiting list who specifically mention housing associations. In addition to selecting tenants from this list, certain 'agreed cases' are selected. These may be suggested directly from the Lettings Department, or be accepted referrals. Applicants on the association waiting list who would be eligible for prompt housing by the council are also regarded as agreed cases. If the association letting is in a newly completed dwelling only an agreed case can be nominated. This system permits a matching of tenants with properties. In the case of New Islington and Hackney however, a shortlist of suitable nominees is forwarded to the association (a 'pool' list). This allows the association rather more discretion, and is a system agreed between the borough and the specific association following past incidents where the association refused some nominations.

It should be noted that there is no policy document formalising this procedure, and that the nominating officer has complete discretion as to whom to select from the association waiting list. There is no points system for nominations. In defence of this, it is argued by borough officials that this system permits flexibility; if this were not the case the procedure would offer no advantages over the practices of the Lettings Department. An example given was that flexibility allows the council to rehouse people facing eviction within a week on occasions.

Monitoring of nomination practices is weak, and the outcome of LBI nominations is not subject to the same rigour as waiting list allocations. Despite the fact that the LBI has given considerable thought to the legitimate role of the housing association movement, and has stated a preference for supplementary and complementary activity, its practices suggest that the implementation of such a policy is problematical. The 1973 report highlighted the difficulties of obtaining statistical evidence on housing association activity, and current nomination practice is not closely controlled or monitored. The borough desires a relationship

with associations which is compatible with the pronouncements of past Labour Governments, but seems to be devoting insufficient resources to the task of ensuring that this occurs. Does the Conservative controlled Westminster City Council reflect the aspirations of the Conservative Party towards housing associations?

Westminster City Council (WCC) considered housing associations in 1976 [25] when zoning arrangements were discussed. The actual allocation of zones was undertaken later in 1976 [26] . Details are contained in appendix 4. The most recent major report on the role of housing associations in Westminster was prepared in November 1982 [27] . In general the report focusses upon questions of efficiency (underspend by associations, and their speed of conversion). Widespread underspending by associations is noted (section 3). It is suggested that part of the problem lies with the system of zoning [28] . In appendix 3 of the report the analysis of the activity of Brent People's Housing Association suggests that spatial constraints imposed on that association by zoning are unduly restricting its activity. In section 12.06 of the report it is suggested that zoning be abandoned. This was implemented in 1983 [29] , and will reduce the need for detailed research on specific associations active within the borough, for the borough will not be conferring special benefits upon a few selected associations. On the other hand, decisions of support may become ad hoc, and the more different associations are assisted the wider becomes the task of assessing their performance.

There are few references to the specific tasks that WCC wishes to see associations perform. The reports usually describe types of activity rather than the groups of people to be housed. Paragraph 6.03 comments that

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[25] 05/01/76, Housing Associations, Zoning Arrangements, Joint Report of the Chief Executive, Director of Housing, Director of Architecture and Planning, and the City Valuer.

[26] 05/04/76, Zoning Arrangements As Applied to Individual Housing Associations, Joint Report of the Chief Executive, Director of Housing, Director of Architecture and Planning, and the City Valuer.

[27] 15/11/82, Housing Associations Review Report and Analysis of Expenditure 1981/82 and 1982/83, Director of Housing.

[28] See appendix 4 for zones at that date.

[29] See 1984-85 HSIP, para.5.03.



the current decline in association activity might "have a marked effect on the achievement of the Council's strategy in respect of sub-standard properties". Rehabilitation is therefore an area of activity that WCC wishes to see associations perform, and this is reinforced in paragraph 12.02, when it is suggested that associations should concentrate their efforts in housing action areas.

The beneficiaries of this process, both desirable and probable, are rarely assessed. Housing the elderly is one area of activity considered desirable (para.10.1), as is housing key workers and the provision of special management facilities (para.12.02). Appendix 3 of the report contains the main review of the 'performance' of associations operating in Westminster. This assessment focuses exclusively upon questions of efficiency (speed and costs of conversions). The types of people being housed are never considered. Indeed, the only reference to types of activity is to 'new initiative schemes' for extending ownership (which are barely mentioned in the main report). This is in marked contrast to the LBI, which devoted considerable effort to identifying the likely beneficiaries of the allocations of associations. The 1984-85 H.S.I.P. (para.5.02) states that associations should improve "substandard accommodation in areas of housing stress" and develop "diversification of tenure and the promotion of home ownership". This is also in marked contrast to the policy of the LBI (1984-85 H.S.I.P., para.49), which focuses exclusively upon association provision for renting.

Nominations were considered in 1983 [30] . Although there is a general waiting list, this list is subservient to a system of priority categories [31] . Waiting list applicants are the lowest priority group of eight groups. Homeless families are the second highest priority group. Nominations are effectively taken from the top of these priority groups. Associations offer individual properties to WCC and a suitable tenant is selected from amongst the most needy of the council applicants. There is no system of keeping a 'pool' of nominated tenants or available properties.

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[30] 17/05/83, Housing Priorities Report 1983/84, Director of Housing.

[31] Contained in appendix 4 of the report and reproduced in appendix 4 below.

Unlike the LBI, WCC has paid relatively little overt attention to the types of people that associations are housing. The City Council is primarily concerned to see another source of provision which is efficient and costs the council little (Housing Priorities Report 1983/84, para.12.02). Thus research in the City Council focuses upon analysing the speed of association conversions, their unit costs and tendency to underspend.

#### 6.4.4 Conclusions

The London Borough of Islington itself spends less H.S.I.P. money on housing associations than Westminster does, and has taken a greater interest in the types of people being housed by associations. Superficially, the policies of Westminster resemble the policies of the Greater London Council when Cutler was housing chairman. Westminster City Council spends only one half of its H.S.I.P. money on its municipal programme (46% going to 'private sector' blocks two and three). The City Council has also failed to analyse the types of people benefitting from association activity. Here the similarities between Westminster and the G.L.C. end, for two reasons. First, Westminster City Council does utilise its nomination rights [32] . Discussions with officers of the council make it clear that they regard this as ensuring that needy groups are housed. Given the fact that the level of nominations is currently 50%, and the Housing Corporation scrutinises housing association activity, they argue that their relative lack of enquiry is not significant. Secondly, and perhaps more significant from the theoretical perspective of this thesis, despite considerable attempts to analyse the performance of housing associations, the London Borough of Islington almost certainly knows no more about the activity of associations in its area than Westminster City Council does. Its own research team was unable to obtain information on more than one association for its 1973 report, and this data is now completely outdated and unrevised. Whilst there are indeed differences of approach between the two boroughs, the difference in actual knowledge of association activity is minimal. Indeed, as chapter 5 pointed out, concern

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[32] Arden (1983, para.121, p.xxii) notes that G.L.C. take-up of nominations was, until 1976, "wholly inadequate".

almost always focuses upon cost control at the expense of knowledge about policy outcomes. As Arden (1983, para.12.3.46) observes:

"Individual scrutiny implies prior scrutiny: the emphasis is on checking the project at the outset, with a correspondingly diminished emphasis on ex post facto scrutiny, or 'performance testing'. This has long been true in government itself, of its own spending, and was thus the thinking which was applied to the task of spending through housing associations. Put shortly, performance testing has been no part of government."

The sole tangible differences between the boroughs lies in their H.S.I.P. allocations, and the fact that Islington favours rented provision through associations, whilst Westminster is willing to support 'new tenures'. Given the boroughs lack of evidence upon which to make decisions, ideological attitudes towards tenure distinctions seems to be the only feasible explanation for policy decisions.

## 6.5 Conclusions

It is possible for a local authority to respond in many different ways to central government policies towards housing associations. These responses may be analysed in terms of the desired relationship between municipal and association provision. Where the pre-eminence of municipal provision is to be maintained housing associations are likely to be credited with either no specific role, or that of supplementing municipal provision. Where the pre-eminence of municipal provision is not considered a fundamental requirement, associations may be encouraged to replace municipal provision. It has been shown that complementary activity by associations can be interpreted in ways which serve either of these approaches.

The Conservative Greater London Council (1967-70) intended to use associations in a replacement function, to decrease the part played by state institutions in the provision and management of housing (Harloe, Issacharoff and Minns, 1974; Young and Kramer, 1978). In Islington and Westminster the situation is more complicated. Despite the fact that

Westminster itself spends more on associations than Islington does, both boroughs utilise nomination rights to ensure that needy tenants are housed. Furthermore, neither borough has been able to obtain sufficient information to determine the likely outcome of the allocation policies of the associations (despite the fact that Islington tried harder to do this).

Hands and Barrett (1974) have analysed the policies of the London Boroughs towards associations as being either 'positive' or 'negative', considering the amount of, and conditions upon, assistance offered to associations by them. They conclude that

"There appears to be neither rhyme nor reason behind the policies and attitudes of London's housing authorities towards housing associations." (p.56)

The difficulty of ascertaining details of the types of people housed by housing associations must go some way in explaining this confusion. In so far as the boroughs can not predict the outcome of association allocations, they are pursuing policies the outcome of which are largely uncertain. It is debatable whether this tendency of the boroughs to make decisions on the basis of insufficient information is ideological or pragmatic. Certainly, if the boroughs are merely concerned that associations should have the necessary administrative and financial support to fulfill a certain role, then the details of their activity may not be considered crucial. There are, however, very good financial reasons for assisting associations, which are not affected by uncertainty over their activity. In 1983/84 the Housing Corporation allocated £20.7m to associations in Islington and Westminster (see table 6.6). This source of extra finance may be lost if the local authority does not co-operate with associations.

Whether ideological or pragmatic, the boroughs are clearly capable of formulating their own policies towards associations. These policies may include the nomination of all of the tenants in some schemes. On the other hand, the borough may utilise nomination rights over some of the lettings of associations and undertake research on association activity in order to inform its own policies. The extent to which boroughs undertake such

research varies considerably. Westminster does not seem to have raised this as a relevant question. Islington has tried, largely without success, to establish the types of tenants housed by associations. Camden, for example, has gone further, and surveyed a sample of association tenants directly [33] . What is significant is that these policies may not reflect the allocational aspirations of the boroughs themselves, let alone those of central government. It is clear that central government encouragement of local authority involvement does render local variation in the activity of associations more likely. The way in which the policy is implemented does seem to be merely designed to encourage housing association provision in any way that local authorities decide. This can not ensure the reproduction of specific types of labour power, or even the use of economically efficient associations.

Arden (1983) indicates that local political control significantly affects the extent of housing association activity. Political control in the Greater London Council has repeatedly changed, and this provides a situation which complements the recent history of Islington and Westminster, where political control has been stable for some time (see section 4.2, where the significance of local political control is discussed). Without pointing out the nature of the changes of political control which occurred, Arden (para.46, p.xi-xii) notes that through GLC policy between 1967 and 1970 the "way was paved for a wider use of housing associations as an alternative to municipal ownership". The then Conservative GLC was thus using associations in a way consistent with national Conservative thinking at the time. When Labour gained control of the GLC (ibid., para.48, p.xii), the

"change of administration in 1973 led to a wholly different approach. Housing associations in general were less well

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[33] See London Borough of Camden, Housing Department Committee, 07/02/84, Untitled (agenda item 28). This survey was mainly concerned with tenant attitudes towards their landlords. The findings for association tenants were compared with a smaller sample of council tenants. The report concludes (p.7) "that satisfaction levels amongst Camden tenants in rehabilitated or unconverted homes are lower than the average for Housing Association tenants". Camden has clearly raised the nature of association activity as an item for the political agenda.

favoured, and all GLC disposals [to associations] were halted."

The then Labour GLC reflected the attitude of the Labour Party that associations should be subordinate to municipal provision. The Conservatives were re-elected to the GLC in 1977, and their policies reflected the return to the private sector favoured within their national Party, and which was manifest in legislation three years later with the election of a Conservative government; the

"fifth administration of the GLC was committed to the return of funds to housing associations so far as possible. There was also a return to the policy of the disposal of GLC stock, including to associations under new forms of tenure, such as community leasehold." (ibid., para.49, p.xii)

Whilst Arden does not point out the 'correlation' between political control and changing attitudes towards housing associations, the implication is clear. The nature of political control in the GLC was directly reflected in its attitude towards associations. Although the policies of Labour Islington and Conservative Westminster do seem to imperfectly reflect the attitudes of their national political counterparts, this should not be taken to imply a necessary correspondence. Hands and Barrett (1974, p.56) uncovered evidence which suggested that

"Contrary to a common view that Conservative Councils encourage housing associations as a substitute for Council housing, only one Conservative-controlled borough had a positive attitude [to associations], while the bulk were neutral."

Pickvance (1978, p.27) is thus correct when he asserts that

"the fact that the State has central and local levels, and that local authorities are not simply subordinate agents but are 'political scenes' in which local class conflicts can be exposed ... moves us one step further away from the image of a monolithic State producing the appropriate response to some malfunction."



In view of the scale of central government financial support of housing associations it is unlikely that any local authority will ignore the movement. The Housing Corporation is a useful source of additional finance for housing investment. The policy does therefore seem designed to ensure the growth of the housing association movement, but not to ensure the achievement of any criteria of performance. The likely beneficiaries of the process are largely beyond the sphere of influence of central government. This finding is particularly significant, for it is in the housing of groups with unusual needs that associations may have a unique role. Central government is not taking any steps to ensure that this is the case. Once again this suggests that the organisation of the association movement is more significant than the activity which it undertakes. The following chapter will address the issue of the types of people that associations do house, and the relationship between association and municipal provision that this implies.

### 7.1 Introduction

The rhetoric of central government policy suggests that housing associations should provide accommodation for specific groups of people. Perhaps the clearest expression of these allocational objectives is contained in the 1971 report of the Central Housing Advisory Committee, Housing Associations. Traditional associations (charities with philanthropic origins) should be housing would-be council tenants. The new style associations (originating from the unsubsidised provisions of the Conservative 1961 and 1964 Housing Acts) should be setting out to house higher wage earners. Following the Labour 1974 Housing Act associations have increasingly undertaken rehabilitation work in inner cities, thus acquiring privately rented sitting tenants. This is in marked contrast to the Conservative emphasis of the mid 1960s. Furthermore, since the 1974 Housing Act both types of association have been able to register with the Housing Corporation for the purpose of obtaining financial support, provided the model rules of the Corporation are met. The organisational distinction between 'traditional' and 'new style' has, to a large degree, been lost.

The outcome of central government policies is therefore somewhat less clear. Which 'types' of association are performing each of these tasks is difficult to determine; indeed, many associations perform both functions. Middle income earners can now benefit through shared ownership and other forms of equity holding, as well as being able to rent association property. The significance of this uncertainty is that the twin functions of providing for would be council tenants and for would be owners or private renters imply very different relationships between association and municipal provision.

Much of the ideological rationale for government support for housing associations is dependent upon perceptions of the desirable nature of this relationship. Whilst previous chapters have considered whether central government has established an organisational framework which is likely to fulfill its requirements, it is now time to assess the outcome of the policy in practice. Central and local government are both in need of evidence of the nature of the association movement, and whether its activities are supplementing municipal provision, or are competing with it. Previous chapters have suggested that neither central or local government have sufficient information upon which to make decisions intended to promote the fulfillment of specified allocational objectives.

Statistical research on the activity of housing associations dates from at least 1971. If central government policy is purposive-rational one would expect that housing Ministers and local authorities have considered the findings of these reports. There is little evidence to suggest that this is the case, although the 1979 report commissioned on behalf of the National Federation of Housing Associations (Housing Association Tenants) has received government attention [1] . Financial assistance to associations has steadily increased during the 1970s and early 1980s despite the relative lack of rigorous evidence on the outcome of such assistance. This reflects the fact that ideological attitudes towards property ownership and the role of local authorities has largely shaped the policy. Indeed, on the basis of government statements it is surprisingly difficult to establish performance criteria by which to judge the efficaciousness of government support for housing associations. The evidence of previous chapters suggests that the main testable policy differences between the Labour Party and the Conservative Party relate to the Labour desire for associations to house poorer privately rented tenants, and the Conservative preoccupation with extending home ownership.

New style associations under the Conservative Government of the mid 1960s were to house middle income earners. The inference is that if

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[1] This report is, for example, referred to at paragraphs 182 and 193, in House of Commons (1979), Parliamentary Paper No.327, Committee of Public Accounts.

association tenants are wealthier than local authority tenants, then associations are housing people who may otherwise have become owners or private renters. This would suggest that associations are targetting a group of people slightly different from local authorities, and are not competing with them for the same tenants. The 1971 C.H.A.C. report was based upon income differences, so this is the first testable performance criterion.

In the debates on the 1982 Housing and Building Control Bill, John Stanley M.P. (Conservative Minister for Housing) argued that charitable housing associations were not ensuring that their tenants were poor (cols.305-6). No evidence for this statement was provided. These comments confirm that the main political Parties have definite views on the desirable income characteristics of association tenants. The views expressed in the 1982 debate differ markedly from earlier Conservative desires that association tenants should be middle income earners [2] . The Conservative Party now encourages wealthy association tenants to buy their dwellings, so information on the rate of sale of association properties should be considered at the same time as income data (certainly from the extension of the right to buy to non-charitable association tenants in 1980).

The boards of management of associations typically comprise local professionals, politicians and clergy [3] . It is possible, given their lack of electoral accountability, that such groups may pursue allocation policies favouring people of similar status. This may lead to a different tenant profile from local authority housing. This possibility came up for discussion during Standing Committee E on the 1963 Housing Bill (col.170). Eustace Willis M.P. (Labour) supported an amendment prohibiting associations from practicing racial discrimination by saying

"I hope that the Committee will accept the Amendment. Indeed, I should like it to go further than it does. I do not want to see any kind of class discrimination which, I can quite well

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[2] See Sir Keith Joseph (Conservative Minister for Housing), Standing Committee E, 1963 Housing Bill, col.485.

[3] See section 5.3.2.

appreciate, might also exist in these housing societies."

Although this clause was defeated, largely on the grounds that the groups of people likely to become members of a board of management would not practice such bias, it does serve to illustrate government concern with the **social class** or **socio-economic group** of association tenants. This variable therefore provides another relevant method of comparing the role of association and municipal provision. The 1974 Housing Act greatly increased the power of the Housing Corporation to oversee association activity, but its knowledge of their allocation practices was still limited. The National Federation sponsored report Housing Association Tenants (1979), amongst others, contains data on the socio-economic composition of housing association tenants.

The 1971 C.H.A.C. report also suggested that traditional associations should house groups in special need (para.2.4). In 1981 the Labour Party (1981, p.38) recognised that local authorities have traditionally failed to cater for certain types of tenant. Suggesting reforms for local authority practices, the Party recommended that

"Probably the biggest change which is needed is to take far more seriously the housing needs of single people of working age. For too long, housing has been geared almost entirely to the needs of nuclear families."

This proposal raises the issue of the extent to which local authorities are capable of fulfilling the tasks assigned to housing associations. To the extent that associations cater for groups for which local authorities have unsuitable stock or insufficient management experience they are not competing with local authority activity in the short term. In the longer term however, it makes it less likely that local authorities will eventually cater for these groups. It is therefore relevant to assess the extent to which local authority and association **stock characteristics** are different (number or rooms in dwellings, accommodation designed to meet specific needs, and so on). It is also relevant to assess the extent to which **household composition** is different (single person households, elderly households, single parent families). Once again this will reveal whether associations are performing a distinctive role, and a role that at

present local authorities do not fulfill.

Several surveys, dating from the early 1970s, provide information on the tenant composition of housing associations. The General Household Survey has provided information on housing associations as a separate tenure since its first full report in 1972. In 1971 Page undertook a survey of co-ownership associations, and in 1977 Thompson examined the work of Merseyside Improved Houses. Bird and Palmer (1979) sampled all types of housing association, as did the National Dwelling and Household Survey in 1978. In 1981 the Census recorded housing associations as a separate tenure for the first time.

Table 7.1 shows the sample sizes used in these secondary sources, including the General Household Survey in years which would facilitate a comparison of its findings with the results of the other surveys (the earliest being 1972, and the other relevant date being 1978). The sample sizes range from over 3,000 in the National Dwelling and Household Survey, to only 52 association households in the 1972 General Household Survey. Indeed, both the 1972 and 1978 General Household Surveys rely upon a sample of less than one association household in one thousand. This is a statistically unreliable sample size, and, in so far as they relate to housing associations, the findings of the General Household Survey are excluded from subsequent analysis. Indeed, since the total population of associations presented in the table is derived from N.F.H.A. members only, it is likely to underestimate the actual total population of association households. The percentages for association sample sizes are therefore likely to be overestimates.



TABLE 7.1 Sample size in secondary sources.

	Date	Association household sample	[1] Total association population	Association sample percentage	[2] Total sample percentage
Page	1970	408	154,867	0.26	-
G.H.S.	1972	52	173,211	0.03	0.07
Thompson	1976	300	211,371	0.14	-
Bird and Palmer	1978	1,775	250,000	0.71	-
G.H.S.	1978	97	250,000	0.04	0.08
N.D.H.S.	1978	3,010	250,000	1.20	1.38

Source: [1] National Federation of Housing Associations, 1978a, p.i.

[2] The 1978 N.D.H.S. gives an estimate for the total households of England in 1978 as 16,824,000. This column shows the total sample expressed as a percentage of total households. 1972 total sample percentage calculated using 1971 Census, Household Composition Part 1, table 1.

Note: Source [1] includes only Federation member associations. Data for 1978 only. Previous years calculated using data in table 3.1.

Page (1971) focussed upon co-ownership associations and excluded traditional associations. The reasons for this are not entirely clear in the report. The statistics produced are therefore of limited use in assessing the relationship between association tenants and local authority tenants, for according to the definitions of the Central Housing Advisory Committee (1971), people expected to be like council tenants have been excluded from the survey, and only people expected to be middle income earners are included. Thompson (1977) studied a different type of association activity when he focussed upon Merseyside Improved Houses (The Role of Housing Associations in Major Urban Areas). Merseyside Improved Houses aimed to house those "least able to compete in today's housing market" (p.50). It sought to fulfill tasks closely related to housing need rather than ability to pay, and is therefore representative of the types of association neglected by the work of Page (1971). The

findings of Page and Thompson highlight the range of activity undertaken by housing associations, from economic renting to fair renting. Neither survey is representative of the association movement as a whole, since they focus upon specific types of association, but the differences in their activities does serve to illustrate the diversity within the association movement described in chapter 5. Bird and Palmer (1979) do focus upon all types of housing association, and their findings are therefore representative of the movement as a whole. Indeed, this comprehensiveness allows them to present their findings for particular types of association as well as for all associations. Their survey was jointly published by the Building Research Establishment and the Housing Corporation, and was produced under the guidance of the National Federation of Housing Associations. It was based upon a survey of 1,775 households during a two week period in 1978. The 1978 National Dwelling and Household Survey relies upon a sample of over 3,000 association households. This provided the largest sample size of any survey of association tenants until the results of the 1981 Census were published. The latest Census records housing association as a separate tenure, and therefore provides a valuable insight into the nature of the allocational activity of housing associations.

Bird and Palmer, the 1978 National Dwelling and Household Survey and the 1981 Census are all representative of the movement as a whole, and the structure of association households revealed in these surveys will be compared to the tenant structure of local authorities in order to assess the relationships between the two types of provision.

## 7.2 Analysis of Income Levels

Data on the income profile of association tenants was first provided by Page (1971, table 30). Page compared the findings of the 1968 Family Expenditure Survey for all tenures with the results of a survey carried out on co-ownership housing associations in 1970. Table 7.2 shows the findings of the survey. Page concluded (1971, p.79) that, relative to the findings of the Family Expenditure Survey for the total population, "the lowest income groups ... were indeed under-represented in housing

societies, whereas the middle ... and upper income groups ... were over-represented". Since the survey focussed solely upon unsubsidised associations, and excluded subsidised associations, these findings are not very surprising.

TABLE 7.2 Household head income characteristics (1968).

Gross Weekly Income  (£)	Percentage			
	Income of head of household		Whole household income	
	Housing Society Respondents	Family Expenditure Survey	Housing Society Respondents	Family Expenditure Survey
<10	4.7	20.6	2.0	11.6
10-15	4.4	11.4	2.7	9.3
15-20	8.3	16.1	4.2	10.2
20-25	23.8	20.0	10.3	13.4
25-30	17.4	13.0	12.5	13.4
30-40	20.8	11.3	28.4	20.1
40-50	6.4	3.9	16.2	10.7
50-60	2.7	1.6	8.8	5.4
60>	4.2	2.1	8.6	5.9
No Information	7.4	-	6.4	-

Source: Page (1971), table 30.

Thompson published his study of Merseyside Improved Houses in 1977. Income data is presented in figure 3(a) in graphical form. Since the results are not included in tabular form comparison with other tenures is difficult. Thompson does observe that the sample "is remarkable for the generally low income level amongst MIH tenants" (p.57), although no comparison with other tenures is made. This suggests that the association

is fulfilling its expressed aim of housing people on the basis of need rather than ability to pay. Merseyside Improved Houses is therefore catering for a very different type of tenant than the co-ownership associations surveyed by Page.

Table 3.1 of the report by Thompson indicates that 57% of the tenants of Merseyside Improved Houses were acquired tenants; tenants already living in accommodation that was purchased by the association. Whilst the properties acquired in this way are likely to be in need of rehabilitation, there is no guarantee that the households so acquired will comprise relatively poor households [4] . Thompson therefore disaggregated his data between selected and acquired tenants, in order to compare their respective situations. In fact, acquired tenants were poorer in general than selected tenants. Many acquired households were living solely on pensions. These findings suggest that despite the uncertainty of tenant selection caused by the acquisition of tenants through the development programme, Merseyside Improved Houses was in general housing poor households. It is difficult to make any more general statement than this because it is not possible to compare the findings of Thompson with the income profile of the occupants of other tenures.

Bird and Palmer (1979) present income data on tenants from all types of association, and tables 7.3 and 7.4 compare their findings with the findings of the 1978 General Household Survey for all tenures.

TABLE 7.3 Household head income characteristics (1978).

Tenure	All tenants	Sitting tenants	Selected tenants
Income range (p.a.)			
0 - 1500	4	4	4
1500 - 3119	50	53	50
3120 - 4159	29	36	29
4160+	17	7	17

Source: Bird and Palmer (1979), figure C.2.1.

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[4] See section 5.3.2 for a discussion of this phenomenon.

TABLE 7.4 Household head income characteristics (1978).

Tenure	All
Income range (p.a.)	
0 - 1500	27
1500 - 3000	23
3000 - 4000	20
4000+	33

Source: 1978 General Household Survey, table 3.12.

Whilst the income ranges of the two tables do not exactly coincide, they are very nearly the same, and a direct comparison of the results in the two tables will not be misleading. Clearly, the findings of Bird and Palmer (1979) differ markedly from the findings of the General Household Survey for the total population. Bird and Palmer estimate a population of association tenants skewed towards middle income levels in comparison with the General Household Survey. Their findings conflict with those of Thompson (1977), but differ less from those of Page (1971), suggesting that there are less association tenants on low incomes than one would expect on a proportionate basis. The 1981 Census does not provide data on income level.

Available evidence on the income characteristics of association tenants is therefore inconclusive [5]. The research surveyed is based in different areas, and sometimes examines an unrepresentative sub-sample of association types. The only reliable survey, that undertaken by Bird and Palmer, suggests that housing associations have fewer tenants on low and high incomes than one would expect on a proportionate basis. Chapter 5 pointed out the importance the current Conservative Government attaches to the income level of association tenants, yet no research which provides reliable data on this variable has been undertaken.

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[5] Although the National Federation of Housing Associations (1977, para.71.vi) has asserted that "housing association tenants have incomes no higher than Council tenants".

### 7.3 Social Class and Socio-Economic Group

In addition to assessing income data, Page (1971, table 31) analysed the socio-economic group of association tenants, and compared the results with the 1966 Census (see table 7.5).

TABLE 7.5 Social class of household head (1970).

Tenure	Percentage	
	Housing society respondents	All tenures England & Wales
Social class		
I Professional	17.7	4.4
II Intermediate	35.3	15.5
III Skilled	31.6	50.2
IV Partly skilled	4.7	20.8
V Unskilled	0.5	9.0
- Students	4.2	-
- Retired	3.9	-
No information	2.0	-

Source: Page (1971), table 31.

This table clearly shows that association tenants were skewed towards higher social classes compared to the overall population. 53% of society respondents were in the top two social classes, whilst only 20% of the total population was in these classes. In view of the fact that Page excludes traditional housing associations from her study, this is not surprising.

Table 7.6 shows the socio-economic data provided by Thompson (1977). This shows acquired tenants to be drawn from lower socio-economic groups than selected tenants, and accords with his finding that acquired tenants were poorer than selected tenants. This table indicates that association tenants are drawn from lower socio-economic groups than Page suggests,



thus confirming the differences in the allocational performance of the two types of association.

TABLE 7.6 Socio-economic group of household head (1976).

Tenure	Percentage		
	Selected	Acquired	All
S.E.G.			
I and II	10	7	9
III non manual	20	16	19
III manual	24	34	28
IV and V	35	42	37
Unclassified	11	1	7
Total	166	88	254

Source: Thompson (1977), table 3.5.

Table 7.7 shows the socio-economic group data in the 1978 National Dwelling and Household Survey (N.D.H.S.), and similar data from Bird and Palmer (1979). Whilst housing associations were under represented in the highest two socio-economic groups in the N.D.H.S. data, they were over represented in the other non-manual category. Local authority tenants were more clearly skewed towards lower socio-economic groups, being under represented in the top three groups and over represented in the bottom three groups. The column indicating the difference between association and municipal tenants confirms this, by revealing that associations had more tenants in the higher socio-economic groups than local authorities. This table provides consistent evidence that housing associations were accommodating tenants of higher socio-economic status than local authorities. Bird's data shows a less definite relationship.

Another notable feature of the 1978 N.D.H.S. is the fact that 23% of association household heads were classified as 'other'. This partly reflects the fact that nearly 50% of association household heads were economically inactive (47.5% according to the N.D.H.S. and 46% according to

Bird and Palmer). In the 1978 N.D.H.S. this is the largest proportion of economically inactive heads for any tenure except owner occupiers who own outright. In the N.D.H.S., if an unemployed or retired person has been economically active, the socio-economic group of their previous occupation is recorded. The category 'other' therefore reflects [6] a high number of persons in the armed forces, students, the permanently sick or disabled, or those never economically active.

**TABLE 7.7** Socio-economic group of household head (1978).

Tenure	Percentage							
	HA [1]	LA [1]	All [1]	HA - All [1]	LA - All [1]	HA - LA [1]	HA [2]	HA - LA [1&2]
S.E.G.								
1.	3.4	0.6	5.1	-1.7	-4.5	2.8	3	2.4
2.	8.4	4.3	13.8	-5.4	-9.5	4.1	4	-0.3
3.	21.4	11.1	17.8	3.6	-6.7	10.3	35	24.9
4.	24.6	35.9	30.3	-5.7	5.6	-11.3	30	-5.9
5.	13.2	19.5	12.9	0.3	6.6	-6.3	22	2.5
6.	6.0	9.6	5.0	1.0	4.6	-3.6	6	-3.6
Other	23.1	19.1	15.1					
Total [3]	3,010	68,997	231,532				1,775	

Source: [1] 1978 National Dwelling and Household Survey, table 4.

[2] Bird and Palmer (1979), figure C.2.1.

[3] Derived using source [1], percentages in table 4, and sample size in appendix A.

Notes: 1= professional  
2= employers and managers  
3= other non-manual  
4= skilled manual  
5= semi skilled manual  
6= unskilled manual.

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[6] See 1978 National Dwelling and Household Survey, p.209.

The 1981 Census volume Household and Family Composition was published on May 24th, 1984. To date, this is the only published Census volume which shows socio-economic data for housing association tenants. A preliminary analysis of its findings is contained in appendix 8 [7] . Table 47 of the Greater London County Report (Part 2) provides socio-economic group data for selected tenures. Despite being listed as a separate tenure in many tables, associations are not separately analysed here. The following chapter therefore contains special tabulations from the 1981 Census which provides this data for the study boroughs.

Whilst housing associations cater for people from lower than average socio-economic groups, local authorities house people from lower socio-economic groups than associations do. The income statistics in the previous section did not reveal any consistent relationship. In the absence of meaningful income statistics, John Stanley M.P. (Conservative Minister for Housing) could only have been relying upon socio-economic group data when he asserted (Standing Committee F, 1982 Housing and Building Control Bill, col.305) that "it has become apparent that at least some existing tenants of charitable housing associations are not in necessitous circumstances". Section 5.3 (chapter 5) discussed the desire of the current Conservative Government to residualise council housing; a desire to promote municipal renting for the poorest only, and to promote ownership for the remainder through the right to buy. It was noted that Conservative attitudes towards housing associations are becoming very similar to this. Any evidence which suggests that association tenants are drawn from higher socio-economic groups than council tenants is likely to increase the desire of the Conservative Government to accelerate the application of this process to housing associations. The repeated introduction of new clauses in the 1983 Housing and Building Control Bill to extend the application of the right to buy to charitable associations is evidence of this (see section 3.2.3, chapter 3).

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[7] This volume was published seven days before the submission date of this thesis. Its findings could not be incorporated into the main text of the thesis, but are referred to in section 8.3.2, chapter 8.

## 7.4 Analysis of Household and Stock Characteristics

The 1971 C.H.A.C. report (para.2.4) also suggested that associations should house groups with special needs; in other words, households not normally catered for by existing tenures. One measurement of this is household type, which reveals household size and stage in the family cycle [8] . A comparison of the variation across tenures will reveal the extent to which associations specialise in housing particular types of households, and house types of households not catered for by local authorities.

A commonly applied analysis of household type uses the following categories [9] :

- 1        Individuals aged under 60; households of one  
             person aged 16-59
- 2        Small adult households; households with two  
             persons aged 16-59
- 3        Small families; 1 or 2 persons aged 16 or over  
             and 1 or 2 persons aged under 16
- 4        Large families; 1 or more person aged 16 or over and  
             3 or more persons aged under 16; or  
             3 or more persons aged 16 or over and  
             2 persons aged under 16
- 5        Large adult household; 3 or more persons aged 16 or  
             over with or without 1 person aged under 16
- 6        Older small households; 2 persons aged 16 or over, one or  
             both of whom are aged 60 or over
- 7        Individuals aged 60 or over.

Page (1971) and Thompson (1977, table 3.3) do not use these categories, and it is not possible to undertake comparisons across tenures with their data. Bird and Palmer (1979), the 1978 General Household Survey and the 1978 National Dwelling and Household Survey all utilise these categories,

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[8] It is only a rudimentary measure, for chapter 5 outlined the variety of special needs housed (see section 5.3.2).

[9] 1972 General Household Survey, page 41.

and their results are shown in tables 7.8 and 7.9.

TABLE 7.8 Household type (1978).

Tenure	Percentage	
	HA [1]	All [2]
Type		
Individuals aged under 60	16	7
Small adult households	16	14
Small families	29	22
Large families	4	10
Large adult households	6	16
Other small households	9	16
Households aged 60 or over	21	15

Source: [1] Bird and Palmer (1979), figure C.2.1

[2] 1978 General Household Survey, table 3.7(a)

Table 7.8 suggests that associations house more young individuals, elderly households [10] and small families than all tenures taken together.

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[10] Niner (1979) analysed a sample of council tenants in Dudley, and comparing the findings to those of Bird and Palmer, concluded that "it seems that it is in provision of housing for the elderly that housing associations really complement the local authority".

TABLE 7.9 Household type (1978).

Tenure	Percentage						
	HA [1]	HA [2]	LA [2]	All [2]	HA - All [2]	LA - All [2]	HA - LA [2]
Household type							
Individuals aged under 60	16	11	5	6	5	-1	6
Small adult households	16	11	11	15	-4	-4	0
Small families	29	16	18	21	-5	-3	-2
Large families	4	5	12	9	-4	3	-7
Large adult households	6	9	19	17	-8	2	-10
Other small households	9	16	18	17	-1	1	-2
Households aged 60 or over	21	33	18	14	19	4	15

Source: [1] Bird and Palmer (1979), figure C.2.1

[2] 1978 National Dwelling and Household Survey, table 4

The N.D.H.S. and the G.H.S. differ from the findings of Bird and Palmer in similar ways (see tables 7.8 and 7.9). Indeed, regarding the total population, the National Dwelling and Household Survey provides results very similar to the General Household Survey. The N.D.H.S. suggests that associations cater less for small families and more for elderly households than Bird and Palmer suggest (see table 7.9).

The 1981 Census also provides data on the household composition of association tenants. Table 7.10 reveals that associations have nearly twice as many single person households (45.8%) as is present in the total population (23.8%). Associations are under represented in all categories of household containing two married adults, and all categories of household containing three adults, of which two are married.



TABLE 7.10 Household type (1981).

Tenure	Percentage					
	HA	LA	All	HA - All	LA - All	HA - LA
Household Type						
<u>1 ADULT</u>						
1 male aged 65 or over (0)	4.2	3.5	2.6	1.6	0.9	0.7
1 female aged 60 or over (0)	24.2	15.1	11.5	12.7	3.6	9.1
1 adult below pensionable age (0)	12.7	7.0	7.6	5.1	-0.6	5.7
1 adult (1)	2.7	1.9	1.0	1.7	0.9	0.8
1 adult (2 or more)	2.0	2.2	1.1	0.9	1.1	-0.2
<u>2 MARRIED ADULTS</u>						
Both under pensionable age (0)	8.4	8.7	12.4	-4.0	-3.7	-0.3
1 or both of pensionable age (0)	11.1	12.3	12.1	-1.0	0.2	-1.2
(1)	5.6	5.0	6.7	-1.1	-1.7	0.6
(2)	6.0	7.1	10.3	-4.3	-3.2	-1.1
(3 or more)	2.6	4.6	4.0	-1.4	0.6	-2.0
<u>2 OTHER ADULTS</u>						
Both under pensionable age (0)	4.7	3.0	3.3	1.4	-0.3	1.7
1 or both of pensionable age (0)	2.6	3.8	3.3	-0.7	0.5	-1.2
(1 or more)	2.4	2.8	1.6	0.8	1.2	-0.4
<u>3 OR MORE ADULTS- 2 MARRIED</u>						
(0)	4.9	11.3	11.7	-6.8	-0.4	-6.4
(1 or 2)	3.1	6.9	7.1	-4.0	-0.2	-3.8
(3 or more)	0.5	1.3	1.0	-0.5	0.3	-0.8
<u>3 OR MORE OTHER ADULTS</u>						
(0)	1.8	2.2	1.9	-0.1	0.3	-0.4
(1 or more)	0.7	1.3	0.7	0.0	0.6	-0.6
1 adult	45.8	29.7	23.8	22.0	5.9	16.1
2 married adults	33.7	37.7	45.5	-11.8	-7.8	-4.0
2 other adults	9.7	9.6	8.2	1.5	1.4	0.1
3 or more adults- 2 married	8.5	19.5	19.8	-11.3	-0.3	-11.0
3 or more other adults	2.5	3.5	2.6	-0.1	0.9	-1.0
All (0)	74.6	66.9	66.4	8.2	0.5	7.7

Source: 1981 Census, Housing and Households.

Derived from table 17.

Note: Number in brackets refers to number of children under sixteen years of age.

The tendency for associations to house small households may be caused by the size of association dwellings. Association stock is skewed towards smaller units, as table 7.11 shows. Over 50% of association stock has three rooms or less, compared with 25% of local authority stock, and only 14% of the total housing stock.

TABLE 7.11 Dwelling size (1981).

Tenure	Percentage					
	HA	LA	All	HA - All	LA - All	HA - LA
No. of rooms						
1	9.7	1.7	1.6	8.1	0.1	8.0
2	18.3	8.1	4.1	14.2	4.0	10.2
3	22.2	15.5	8.5	13.7	7.0	6.7
4	22.2	25.1	21.0	1.2	4.1	-2.9
5	18.5	33.6	31.1	-12.6	2.5	-15.1
6	6.9	13.6	21.3	-14.4	-7.7	-6.7
7	1.4	2.0	7.0	-5.6	-5.0	-0.6
8 or more	0.8	0.4	5.4	-4.6	-5.0	0.4

Source: 1981 Census, Housing and Households.

Derived from table 2.

A bias towards smaller units is confirmed in the Housing Corporation analysis of statistical returns from associations in 1982 (Housing Corporation, 1983) where [11] one bedroom units comprise the largest group, at 32.5%. Two bedroom units comprise 29.6%, three bedroom units 21.9% and four or more bedroom units 2.7%. The table also includes the category bedsitter, which presumably refers to one room dwellings, and comprises 13.4%. Nearly half (45.9%) of association stock therefore has either no separate bedroom or only one bedroom.

Associations also have smaller than average households (see table 7.12), over two fifths of all association households being single person households.

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[11] The table has no number nor page number, but is entitled 'Analysis of Housing Association's Statistical Returns (England and Wales)'. The figures are for 1982, and are contained in part (d) of the table.

TABLE 7.12 Household size (1981).

Tenure	Percentage					
	HA	LA	All	HA - All	LA - All	HA - LA
Persons in household						
1	41.1	25.6	21.7	19.4	3.9	15.5
2	29.5	29.7	32.2	-2.7	-2.5	-0.2
3	13.0	16.7	17.0	-4.0	-0.3	-3.7
4	10.1	14.9	18.1	-8.0	-3.2	-4.8
5	4.2	7.8	7.3	-3.1	0.5	-3.6
6	1.5	3.4	2.5	-1.0	0.9	-1.9
7	0.4	1.1	0.7	-0.3	0.4	-0.7
8	0.1	0.4	0.3	-0.2	0.1	-0.2
9	0.1	0.1	0.1	0.0	0.0	0.0
10 or more	0.0	0.1	0.1	-0.1	0.0	-0.1
<b>Total</b>	361,358	5,101,640	17,706,492			

Source: 1981 Census, Housing and Households.  
Derived from table 2.

Tables 7.8 to 7.12 clearly demonstrate that association dwellings are smaller than municipal dwellings, and that their households are smaller in comparison to municipal accommodation. This is especially noticeable in the case of single elderly households. This combination of smaller households and stock size in association property compared with municipal property suggests that, in part, associations are complementing local authority activity because of the different size structure of their stock. It also results in very similar densities of occupation in the two tenures (see table 7.13).

TABLE 7.13 Density of occupation (1981)

Tenure	HA	LA	All	HA - All	LA - All	HA - LA
Persons per room						
Over 1.5	0.7	0.7	0.6	0.1	0.1	0.0
Over 1 up to 1.5	3.0	4.9	2.7	0.3	2.2	-1.9
Over 0.75 up to 1	27.7	23.6	18.4	9.3	5.2	4.1
Over 0.5 up to 0.75	19.6	21.6	22.2	-2.6	-0.6	-2.0
Up to 0.5	49.0	49.1	56.1	-7.1	-7.0	-0.1

Source: 1981 Census, Housing and Households.

Derived from table 20.

Indeed, the differences in household and dwelling size are so parallel that the density of occupation in the two tenures is remarkably similar (four of the five categories deviating by 2% or less).

### 7.5 Conclusions

Some clear differences exist between the population of housing association tenants and local authority tenants, and between the population of housing association tenants and the total population. The most consistent finding is that whilst association tenants are over represented in the lower socio-economic groups compared to the total population, they are drawn from higher socio-economic groups than municipal tenants (tables 7.5 to 7.7). This relationship is not reflected in income characteristics however. Some associations seem to cater for households with high incomes (Page) [12], whilst others cater for people with low incomes (Thompson). In general, associations cater for people with middle income levels. According to Bird and Palmer some 80% of

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[12] In 1978 the National Federation of Housing Associations (1978b, p.14) observed that association fair rent levels were on average 130% of local authority reasonable rent levels. One might therefore expect associations to have catered for higher income groups at that time. In 1983 the Federation noted (1983, p.12) however, that association fair rents are now comparable to municipal reasonable rents.

association tenants earned between £1500 and £4000 p.a. (see table 7.3), whilst only 43% of the total population did so (see table 7.4).

The household composition of housing associations also differs markedly from the total population. Single elderly households are over represented in housing associations compared to the total population (tables 7.8 to 7.10), and generally have smaller households (tables 7.10 and 7.12). This is reflected in the finding that associations have smaller dwelling units than one would expect on a proportionate basis, compared to the total population, and the stock of local authorities (see table 7.11).

These results indicate that in some respects the people housed by housing associations are different from the people housed in other tenures. There are two problems with these findings however. The first relates to the reliability of the data. Even in the survey of Bird and Palmer, in which nearly 2,800 tenancies were examined, the sample size represents only 0.71% of association households in the country (see table 7.1). Furthermore, their sample does not evenly reflect the variety of associations (Bird and Palmer, 1979; see appendix B, paragraph B.9).

Another difficulty with the data is that of analysing causal relationships. In order for the influence of local authorities to be analysed it is preferable for the data to be spatially disaggregated. Chapter 6 outlined the different policies that the London Boroughs of Islington and Westminster have toward housing associations. It would be interesting to see whether these policies are reflected in the variables analysed.

Since the grant system encourages the construction of small dwelling units, one would not expect stock size (and consequently household size) to be significantly affected by local authority practices [13]. Where local authority influence may be pronounced is in the social composition

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[13] Total indicative cost limits are calculated taking into consideration, inter alia, the number of units provided, and local cost factors. In conversion work this encourages associations to subdivide houses into as many small flats as is practicable, and is not likely to be widely different between the two boroughs. See appendix 5 for household composition in the study boroughs.

of housing association tenants. Local authorities have the power to nominate tenants to housing associations, and their conception of the legitimate role of associations may lead them to encourage certain types of association.

As regards nominations, Westminster City Council mainly nominates homeless families to association accommodation [14] , thereby utilising units with two or more bedrooms. Table 7.11 indicated that association stock comprises smaller units than municipal stock, so associations in Westminster will generally be obliged to offer their own vacancies to single people or childless couples as a result of nominations taking their larger units. Since this nomination practice is effectively from the top of the waiting list (see section 6.4.3, chapter 6), to some extent a duplication of roles exists as regards nominations. As regards the allocations the association makes, by virtue of the size distribution of their remaining stock, a duplication of roles is unlikely. In Islington the borough is rather more constrained by the size structure of properties offered by the associations for nomination purposes, and nominations tend to be single people or childless couples. Since municipal stock comprises larger units than association stock, this will generally not be duplicating the activity of the local authority itself. If a family unit is available the current practice is for the borough to allocate the vacancy to families who need to be decanted from borough stock [15] .

Local authority assistance may also be offered to particular types of association. If associations facilitating ownership are assisted, for example, one would expect to find a particular socio-economic composition of tenants. These influences will vary spatially as local authority policies vary. In view of the unreliability of the secondary sources discussed above, and the need for spatially disaggregated data, the following chapter provides primary Census data on the tenant composition of housing associations in Islington and Westminster.

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[14] Telephone conversation with housing association officer, Westminster City Council, 120484.

[15] Telephone conversation with housing association officer in housing advisory service, Islington Borough Council, 130484.



### 8.1 Introduction

There are two main problems with the secondary sources of data on the tenant composition of housing associations reviewed in the previous chapter. First, the data itself are unreliable; the surveys are all at least six years out of date, and the sample sizes are small in terms of the total population being studied. Secondly, most of the data is national, and thus obscures the influence of local factors, including local authorities, on the activity of housing associations. In order to circumvent these deficiencies primary statistical analysis within the study boroughs will be undertaken. Such data will allow variables to be examined across local authority areas, and a spatially restricted analysis will facilitate the use of a large sample size in relation to the population considered. The results could not be claimed to be typical of the country as a whole [1] , but would be reasonably typical of the boroughs concerned.

Two methods of collecting local data have been employed. The first consists of an examination of the tenant files of some of the largest associations operating in the study boroughs. The objective of such an examination is to assess the extent to which housing associations are housing the same types of people that are being housed by other tenures. If housing associations do not cater for a distinctive type of tenant, or tenants different to those traditionally housed by other tenures, then it becomes difficult to explain state support for the movement in terms of the allocational performance of housing associations. Such a finding would lend support to the conclusions of earlier chapters, that more general political and ideological factors are influencing government support for

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[1] See appendix 8 for a preliminary analysis of recent Census findings on the socio-economic status of housing association tenants in England and Wales.

the housing association movement. The inspection of tenant files therefore analysed the occupation and income of household heads, and household structure, in order to facilitate a comparison of association tenants with the occupants of other tenures. The survey will also provide evidence on the extent to which associations select their own tenants, or are constrained by stock characteristics and developmental factors, or by agreements with local authorities. A more general justification for this approach is that it facilitates an evaluation of the quality of the record keeping of the associations. If data gleaned from these files prove inadequate for the purposes of research, then the association itself is hardly in a position to evaluate the extent to which its own allocational priorities are being achieved.

The second method of obtaining primary data is based on the fact that, for the first time, the 1981 Census lists housing association as a separate tenure, rather than including it within the definition of privately rented, which previous Censuses have done. Chapter 7 utilised some of the results of the 1981 Census in so far as they relate to housing associations. The Census does not provide income data, but table 47 of the Greater London County Report Part 2 provides a breakdown of socio-economic group by selected tenures. The standard table does not include the tenure housing association, so it was decided to obtain a special tabulation providing this for Islington and Westminster [2] .

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[2] Data for Kensington and Chelsea was also requested because it has the highest proportion of its population in association accommodation (12.4%; see table 6.2, chapter 6), and because the local authority spends the highest proportion of its H.S.I.P. money on housing associations (67.1%; see table 6.3, chapter 6). As such it provides an example of an 'extreme' case which can be compared with the findings for Islington and Westminster. A significant difference in the tenants of associations in Kensington and Chelsea would suggest that associations are fulfilling an unusual role there, as well as receiving an unusual amount of assistance from the local authority. It should be borne in mind, however, that the population structure of Conservative Kensington and Chelsea differs considerably from that of Labour Islington (see section 4.2, chapter 4). The analysis of data for Kensington and Chelsea is largely confined to appendix 7, because the characteristics and policies of the borough have not been analysed in detail in the text.

### **8.2.1 Participating Associations and Methodology**

During interviews with housing association officers in the study boroughs permission was sought to undertake an inspection of their tenant files. Three associations agreed to this request, namely, Community Housing Association, Samuel Lewis Housing Trust and World of People Housing Trust. In order to establish whether these associations are representative some preliminary details on them were ascertained.

**Community Housing Association (CHA)** was formed in 1972, and was based upon the amalgamation of two local associations which had been active for some six years [3] . This means that the association was formed during the period of Conservative support for cost rent and co-ownership associations. The association was registered with the Housing Corporation on June 23rd 1975, and is now a registered charity. The Directory of Registered Housing Associations describes Community as an association providing houses for letting and hostels. In 1983 the association had 166 units in the study boroughs (see appendix 1).

**Samuel Lewis Housing Trust (SL)** was founded in 1901, in the will of Samuel Lewis, a merchant banker. Sydney (1979, p.3) observes that

"The will stated that £400,000 should be used by the Trustees to establish dwellings for the poor at one or more places in England, by the purchase of land and the erection of suitable buildings. These were then to be let to the poor at low rents."

This clearly places Samuel Lewis in the category of turn of the century philanthropic charities. The Trust was registered with the Housing Corporation on May 13th 1975. The Directory of Registered Housing Associations describes Samuel Lewis as an association providing housing for letting, and houses and hostels for the special needs of the elderly

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[3] See Community Housing Association Ltd., Chairman's Annual Report for 1981-82, inside front cover.

handicapped or disabled. The association had 246 units in the study boroughs in 1983 (see appendix 1).

**World of People Housing Trust (WPHT)** was founded in 1969 [4] . It was registered with the Housing Corporation on July 15th 1975. The Directory of Registered Housing Associations describes it as an association providing housing for letting, and housing for the special needs of the old and blind. Although it was formed whilst the influence of the 1961 and 1964 Housing Acts was still considerable, it is now a registered charity. In 1983 the association had 702 units in the study boroughs (see appendix 1).

These associations vary in age, size of stock, and categories of special needs catered for. It was therefore concluded that an inspection of their tenant files is representative of the types of association active in the study boroughs. A preliminary inspection of the tenant files of the associations was undertaken in order to ascertain the types of information contained therein. On the basis of these visits a standard list of information to be recorded was compiled. The list comprised the following items:

Primary variables

- (i) housing need (social, quality of previous accommodation)
- (ii) route to accommodation (selected, acquired, etc)
- (iii) if nominated, nominating agency
- (iv) household structure
- (v) occupation
- (vi) income of head of household
- (vii) size of household

Secondary variables

- (viii) date tenancy granted
- (ix) previous tenure
- (x) rent level

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[4] See Annual Report and Accounts 1981, inside front cover.

The rationale for selecting most of the primary variables has been discussed at some length in chapter 7. A measure of housing need was sought in order to facilitate a comparison of the measures of housing need used by associations in practice with those recorded in their policy documents. The secondary variables were selected in order to facilitate a crosstabulation of the primary variables, if the tenant files provided sufficiently comprehensive details on them. It was hoped, in particular, to examine the differences in the income level of incoming tenants by the year in which they were housed, since government advice on the types of people suitable for housing by associations has varied over time. Such an analysis will reveal the extent to which associations have been responding to central government advice, or to local authority objectives through nominations.

In view of the relatively small number of tenancies granted by the three associations in the study boroughs, it was decided that a 20% sample would be feasible (in terms of time available). This produced a total sample size of 155 tenancies. Although representing a high sample size for each association, because only three associations participated in the survey it represents only 1.26% of all association households in the study boroughs. This was another reason for proceeding with the special tabulation from the 1981 Census, since this table would provide a 10% sample.

The inspection of tenant files was undertaken in August 1983. All associations maintained their records in alphabetical order of street name. Having established which streets were within the study boroughs, one file in every five was examined. The type of buildings were checked to ensure that one in five would not be unrepresentative (for example, if all buildings were five stories in height such a ratio would have selected the same floor in each building, and tenants so selected may have been untypical). Where appropriate, data obtained from tenant files is presented for individual associations and by the borough in which the tenancy was located. Any wide discrepancy in the findings between the boroughs may reflect a special relationship between the boroughs and the

associations surveyed [5] .

### 8.2.2 Findings

The quality of information maintained on tenant files varies considerably, both between associations and across variables recorded. Table 8.1 shows the percentage of tenant files from which reliable data could be obtained. The table exaggerates the comprehensiveness of the data on the files. Information on type of employment was unsystematic and often absent, and any rigorous interpretation in terms of socio-economic groups out of the question. Information on the physical or social need for rehousing was seldom recorded on the tenant files. Very few details on the physical condition of the property the tenant previously occupied were systematically recorded. Information on rent level in previous accommodation was also particularly poor, and information on rent level upon taking the tenancy was surprisingly poor (rent exclusive of rates being on 61.3% of files, inclusive rent on 20.6%).

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[5] The presentation of data in this way is not intended to facilitate a more general comparison of the influence of local authority policies, for only one association in Islington, and two in Westminster participated in the survey. This can hardly be said to be representative of association-authority relationships in either borough.



TABLE 8.1 Percentage of files adequately supplying given information.

Association	CHA	WPHT	SL	Total
Tenancy date	89.7	97.5	95.7	95.5
Route to accommodation	86.2	93.8	95.7	92.6
Sex of head of household	86.2	98.8	100.0	96.8
Age of head of household	58.6	83.8	93.5	81.9
Size of household	86.2	97.5	97.8	95.5
Employment status	62.1	85.0	97.8	84.5
Previous tenure	65.5	81.3	91.3	89.3
Income of head of household	n/r	48.8	19.6	-

Source: Inspection of tenant files (1983).

Note: n/r indicates too few files with data to be relevant.

In order to set a context for subsequent analysis it is necessary to briefly return to the extent to which associations are free to select their own tenants, an issue raised in chapter 5. Table 8.2 shows the ways in which surveyed tenants came to be housed by the association.

TABLE 8.2 Route to accommodation.

Association	CHA	WPHT	SL	Total	Percent	Percent	
						WMR	ISL
Type of tenant							
Acquired tenant	14	6	0	20	13.9	20.0	0.0
Selected tenant	3	24	17	44	30.6	27.0	38.6
Nominated tenant	5	27	1	33	22.9	32.0	2.3
Referred tenant	0	5	0	5	3.5	5.0	0.0
Decanted tenant	3	12	15	30	20.8	15.0	25.0
Transferred tenant	0	1	11	12	8.3	11.0	25.0
TOTAL	25	75	44	144			

Source: Inspection of tenant files (1983).

This confirms the preliminary findings of chapter 5, that housing associations select a minority of their tenants (31%). One fifth of the tenants analysed were decanted in order to facilitate improvements. Some 23% were nominated. These findings can be contrasted with the allocation policies of the associations. Table 8.3 compares the rank order of allocations in the survey with the priorities of Community Housing Association and World of People Housing Trust. Samuel Lewis does not rank its priorities in terms of these headings.

TABLE 8.3 Comparison of allocation policies and tenant profile of surveyed associations (by rank).

Association	CHA		WPHT	
Type of tenant	Policy rank [1]	Survey rank [2]	Policy rank [1]	Survey rank [2]
Decant	1	3	1	3
Transfer	2	-	2	6
Nomination	3	2	3	1
Acquired	-	1	-	-

Source: [1] Allocation documents of associations.  
[2] Inspection of tenant files (1983).

Considering that 20% of the tenants of the associations were studied in the boroughs of Islington and Westminster, this provides reliable evidence that the outcome of their allocation practices does not conform to the policy statements of the associations. This illustrates the general point central to this thesis, that the expression of intent does not always match the outcome of action. The difference between the policy and the outcome of association allocation practices may result from two factors. First, the association may respond to tenant applications pragmatically, adopting a flexible approach which permits general guidelines to be ignored. Secondly, the types of people nominated to housing association accommodation may be inconsistent with the allocational policies of the housing associations themselves. Table 8.4 shows the agencies responsible for nominations.

TABLE 8.4 Nominating agency.

Association	CHA	WPHT	SL	Total	Percent	Percent	
						WMR	ISL
Agency							
Local authority	4	27	1	32	84.2	83.8	100.0
Resident's association	1	0	0	1	2.6	2.7	0.0
Area health authority	0	2	0	2	5.3	5.4	0.0
CEGB	0	2	0	2	5.3	5.4	0.0
Age Concern	0	1	0	1	2.6	2.7	0.0

Source: Inspection of tenant files (1983).

As is to be expected, by far the largest category of nominations is local authority nominations (84%). Other agencies nominate tenants to schemes where, typically, the agency has provided land for development purposes. It should be noted however that at 32, the total number of local authority nominations comprises only 20.6% of all lettings. This is low considering that the current practice of local authorities is to claim 50% nomination rights. Indeed, in Islington, only just over 2% of the tenants of Samuel Lewis were nominated. This may reflect the variation in the commencement dates of tenancies inspected. As tables 8.5 and 8.6 indicate, the tenancies analysed for Samuel Lewis in Islington are much older than for the other associations. It is possible that Samuel Lewis, a well established charitable trust, may have received little assistance from local authorities in the past, or for other reasons have been subject to less pressure from Islington for nominations. The variation between the policies of the associations and the outcome of their allocations (table 8.3) cannot be totally ascribed to the influence of local authority nominations.

TABLE 8.5 Date tenancy commenced (by association).

Number					Percent				
Date	CHA	WPHT	SL	All	Date	CHA	WPHT	SL	All
Pre-1970	0	1	5	6	Pre-1970	0.0	1.3	11.4	4.1
1970-79	19	9	29	57	1970-79	73.1	11.5	65.9	38.5
1980 on	7	68	10	85	1980 on	26.9	87.2	22.7	57.4
Total	26	78	44	148	Total	100.0	100.0	100.0	100.0

Source: Inspection of tenant files (1983).

TABLE 8.6 Date tenancy commenced (by borough).

Number		Percent	
	WMR	ISL	
Date			
Pre-1970	1	5	1.2
1970-79	8	29	9.5
1980 on	75	10	89.3

Source: Inspection of tenant files (1983).

The inspection of tenant files provided a wide range of information on the household composition of housing association tenancies. This permits an analysis of the extent to which associations are housing types of households similar to those being housed by local authorities, and thus facilitated the assessment of the extent to which associations and local authorities are performing different allocational tasks. The extent to which their allocational practices vary will go some way in suggesting which of the theoretical relationships between association and municipal provision outlined in chapter 6 exists in Islington and Westminster. Table 8.7 shows that in comparison with the total population, the associations surveyed accommodate smaller households than one would expect on a proportionate basis. The table also shows that association households are in general smaller than local authority households, confirming the findings of the 1981 Census.

TABLE 8.7 Household size (percentage).

	England and Wales [1]			[2]	[2]	[2]
Tenure	All	LA	HA	HA	WMR	ISL
No. of persons						
1	21.7	25.6	41.1	51.4	59.2	33.3
2	32.2	29.7	29.5	28.4	25.2	35.6
3	17.0	16.7	13.0	9.5	9.7	8.9
4	18.1	14.9	10.1	4.7	1.0	8.9
5+	11.0	12.9	6.3	6.1	4.9	8.9

Source: [1] 1981 Census, Housing and Households.

Derived from table 2.

[2] Inspection of tenant files (1983).

There is very little difference between the age distribution of the population of the country and the age profile of all residents at addresses surveyed (see table 8.8). This is contrary to the findings of the secondary sources reviewed in chapter 7 (see tables 7.8 to 7.10).

TABLE 8.8 Age distribution (percentage).

	Total population [1]	Surveyed population [2]	[2] WMR	[2] ISL
Age				
<18	25.6	22.6	16.7	27.1
18-34	24.9	29.2	37.0	26.0
35-44	12.1	13.2	8.7	14.6
45-59	17.2	14.0	13.8	15.6
60+	20.2	21.0	23.9	16.7

Source: [1] 1981 Census, Sex Age and Marital Status.

Derived from table 2 (England and Wales).

[2] Inspection of tenant files (1983).

An analysis in terms of age of head of household does show a difference between the sample and the total population (see table 8.9). The

association tenants surveyed are biased towards the young, but are not biased towards the elderly. Compared with the population of local authorities, associations cater more for young households (48.8% below 45 years of age, compared with 31.5% for local authorities).

TABLE 8.9 Age of household head (percentage).

	Census		Survey		
Age	[1] All	[1] LA	[2] HA	[2] WMR	[2] ISL
16-29	11.9	11.0	24.0	26.9	14.3
30-44	26.7	20.5	24.8	24.4	28.6
45-64	34.0	36.4	25.6	19.2	33.3
65+	27.3	32.1	25.6	29.5	23.8

Source: [1] 1981 Census, Housing and Households.

Derived from table 12.

[2] Inspection of tenant files (1983).

The inspection of tenant files permitted an analysis of the sex of household heads. Table 8.10 compares the sex of the head of household in the sample with that of the total population. This reveals a much higher proportion of female heads of households in the sample population (indeed, in Islington the majority of household heads surveyed are female). This is mainly a result of the fact that the associations house many single person households, a large number of which comprise single women.



TABLE 8.10 Sex of head of household (percentage).

	All tenures [1]	Percent		
		Total [2]	ISL [2]	WMR [2]
Sex				
Male	75.0	50.7	46.1	60.9
Female	25.0	49.3	53.8	39.1

Source: [1] 1981 Census, Housing and Households.

Derived from table 15.

[2] Inspection of tenant files (1983).

Another guide to the nature of association allocation practices is the previous tenure of tenants. Table 8.11 provides this information, confirming that the largest category is internal decants. In aggregate, this confirms the allocational priorities expressed by associations in Islington and Westminster (and presented in table 5.4). Nearly 40% were previously privately renting. If the charitable status of the associations is being enforced (something which their records did not permit an analysis of), then these tenants would have below average incomes, and would otherwise have had to look to the local authority for rehousing. Only 7% were previously local authority tenants. There is thus little evidence of a direct exchange of tenants. Rather, people who may have moved from other tenures to municipal accommodation have moved to association accommodation instead [6]. Only one person surveyed was previously an owner occupier. The fact that there were no surveyed tenants in Islington that were acquired tenants reflects the history of the Samuel Lewis estate in Islington, which was purpose built at the turn of the century, and is now being rehabilitated. Community Housing Association and World of People Housing Trust have acquired many of their properties more recently.

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[6] This is evidently true of nominations, considering the way in which the boroughs operate their nomination arrangements (see section 6.4.3, chapter 6).

TABLE 8.11 Previous tenure.

	Number	Percent		
		Total	WMR	ISL
Tenure				
Private rented (acquired)	20	15.9	23.8	0.0
Private rented (other)	29	23.0	28.6	11.9
Housing association (decant)	31	24.6	19.0	35.7
Housing association (other)	16	12.7	0.0	38.1
Local authority	9	7.1	9.5	2.4
Owner occupier	1	0.8	1.2	0.0
Tied	2	1.6	2.4	0.0
Sharing (family/friends)	18	14.3	15.5	11.9

Source: Inspection of tenant files (1983).

Although occupation and income level were not rigorously recorded in the tenant files, it was possible to determine the employment status of the head of household in 84.5% of the files. Table 8.12 provides this information, and shows that nearly one quarter of the tenants of the associations were retired when housed. This says more about the age of the tenants than their economic position relative to the occupants of other tenures, for life insurance, private pensions and interest on savings can alter their income level.

TABLE 8.12 Employment status.

Status	Number	Percent		
		Total	WMR	ISL
Employed	97	74.1	72.1	77.8
Unemployed	3	2.3	3.5	0.0
Retired	31	23.7	24.4	22.2

Source: Inspection of tenant files (1983).

The rate of unemployment amongst heads of households is one general indicator of relative economic position. As table 8.12 indicates, only 2.3% of the association tenants surveyed were unemployed. Whilst being a valuable measure of relative economic position, the unemployment rate varies over time, so this information must be crosstabulated by year to have any meaning [7] . This presents severe sampling difficulties, for in Islington no tenant surveyed was unemployed when housed by the association, and in Westminster only three of the surveyed tenants were unemployed when housed by the association. A crosstabulation of unemployment rate by time will therefore generate cells with few or no entries, thus rendering any statistical analysis meaningless. A larger sample would have helped to solve this problem, but in general the quality of information recorded on income and employment was poor.

### 8.2.3 Conclusions

The inspection of tenant files produced two main sets of conclusions. First, data on some household characteristics were well maintained. This showed that associations select few of their tenants, and that household sizes are generally small, confirming the findings of earlier chapters. The age of household heads living in association accommodation is biased towards the young in comparison with both the total population and the population of local authorities. The sex of the head of household renting from an association was much more evenly distributed than in the 1981 Census for all tenures. These findings do signify a targetting that is, in practice, reasonably distinct from other tenures. Secondly, data on some household characteristics was poorly maintained. Income level and type of employment being particularly patchy, though employment status was easier to establish. No systematic details of the social or physical reasons for housing the tenants was recorded. This made an analysis of the changing basis of the allocation priorities of the associations impossible.

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[7] This would also have been necessary for income and rent levels, had they been recorded sufficiently well.

The survey provides evidence that crucial data on income and employment are missing from many files, and the route to accommodation revealed in the sample differed widely from the policy statements of the associations. Monitoring of allocational performance seems generally weak [8] therefore. This suggests a pragmatic approach to allocations, which may aid flexibility, but does little to ensure that the allocational priorities of any outside institution are being met.

### 8.3 Socio-Economic Group of Association Tenants

#### **8.3.1 Purpose of the Special Tabulation**

Previous chapters have indicated that government advice on the types of tenants suitable for association accommodation has undergone dramatic changes since 1961. Initially, Conservative inspired cost renting was intended to be suitable for middle-income earners and young professional people. More recently, Labour legislation has suggested that associations should undertake rehabilitation work [9] , a task which will lead to the housing of increasingly poor privately rented tenants. In spite of the significance of association allocational performance, relatively little statistical research has been undertaken on this subject. A special tabulation from the Office of Population Censuses and Surveys provides data which is unbiased [10] , statistically significant (a sample of 10%), and comparable across local authority areas. Information on the socio-economic group of association tenants will throw light on the extent to which association practices have been influenced by legislation, and local authority policies.

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[8] Although this cannot be generalised to all associations. See Power (1979) for example.

[9] The 1967 Housing Subsidies Act and the 1974 Housing Act.

[10] A charge levelled against Bird and Palmer (1979) by the Committee of Public Accounts (1979, para.193).

### 8.3.2 Findings

Before the results of the special tabulation are presented, it is necessary to consider the exact phrasing of the Census question on tenure. Question H2 of the Census asked

"How do you and your household occupy your accommodation?"

Seven structured responses were provided. Categories one and two were 'owner occupier', the former being freehold and the latter leasehold. The remaining categories were 'renting, rent free, or by lease', of which category five was 'from a housing association or charitable trust'. Crucially, note (b) to the question transfers some occupants of association accommodation into the owner occupier category. The note states

"If a share in the property is being bought under an arrangement with a local authority, New Town corporation or housing association, for example, shared ownership (equity sharing), a co-ownership scheme, tick box 1 or 2 as appropriate."

All association activity defined in the approved development programme as being for 'other tenures' is thus defined in the Census as owner occupation [11]. This definition cannot be criticised on tenurial grounds, for chapter 3 demonstrated that such activities have little in common with the philanthropic origins of housing associations. What this does mean, however, is that the Census definition of housing associations is that subset of their activity which does not result in ownership. There is every reason to suppose that tenants who are purchasing their properties from an association have higher incomes, or more secure employment, than tenants who are not in the process of acquiring an interest in their property. The findings of the Census will therefore understate the activity of associations to the extent that such people are defined as owner occupiers. This reinforces the need to examine the rate of sale of association properties in order to obtain a more accurate

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[11] The 1978 National Dwelling and Household Survey included co-ownership and cost rent housing within the tenure 'housing association'; see 1978 N.D.H.S., p.183.

indication of the total activities of housing associations.

The special tabulation provided data by socio-economic group. The presence of 17 groups means that general patterns are difficult to distinguish using these categories. A grouping is necessary in order to provide more manageable units for analysis, and to facilitate a comparison of the Census findings with the findings of other surveys. Table 8.13 shows the grouping convention used, and describes the categories to be found in succeeding tables. Although subsequent tables present the raw data in percentage terms, unless otherwise stated, the following analysis uses the grouped socio-economic group data presented [12] .

TABLE 8.13 Derivation of grouped socio-economic groups.

Grouped socio-economic group	Description	Socio-economic groups included
1	Professional	3,4
2	Managerial	1,2,13
3	Intermediate and junior non manual	5.1,5.2,6
4	Skilled manual	8,9,12,14
5	Semi-skilled manual	7,10,15
6	Unskilled manual	11
Other	Other	16,17
Retired	Retired	Retired (not included above)

Table 8.14 (p.233) shows, by tenure, the socio-economic profile of the London Borough of Islington. The last three columns show the difference between housing association tenants and the tenants of other tenures. It is clear that association tenants are drawn from higher socio-economic

[12] Another convention used in succeeding tables is the abbreviation of tenures as follows: HA indicates housing association, LA indicates local authority or New Town corporation, OO indicates owner occupied, PRU indicates privately rented unfurnished (furnished being absent from the Census tables).



groups than local authority tenants, but lower socio-economic groups than owner occupiers. The proportion of housing association tenants and the proportion of local authority tenants in the professional and managerial groups are smaller than the proportion of owner occupiers in these groups. The proportion of association tenants in both of these socio-economic groups is closer to the proportion of owner occupiers in these groups than it is to the proportion renting from a local authority. The proportion of association tenants in the next socio-economic group (intermediate and junior non-manual) is similar to the proportion of owner occupiers in this group, and more than the proportion renting from a local authority. In socio-economic group 4 (skilled manual), associations house proportionately more than any other tenure. Of all tenures, local authorities house the highest proportion in socio-economic groups 5 and 6 (semi-skilled and unskilled manual), with owner occupation housing the lowest proportion. In general, then, owner occupation accommodates a disproportionately high number of the professional and managerial groups (with local authorities housing the least). Housing associations house a disproportionately high number of the skilled manual groups. Local authorities house a disproportionately high number of the semi-skilled and unskilled. In this respect, association tenants are socio-economically mid-way between public renting and ownership. This is confirmed when association tenants are compared with privately rented tenants, for here the difference is less systematic; associations catering for less managerial employees, but also less unskilled employees, than the privately rented sector. One way of ranking these differences is that of 'absolute difference'. This is the sum of the deviations, expressed as though all deviations are positive. Although being a crude measure of difference, it is sufficient to form the basis of ranking the scale of the differences [13]. Using the grouped categories again, this method reveals the following total deviations:

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[13] The measure can be as low as zero, where all socio-economic groups accommodate exactly the same proportions. The other extreme is where all occupants of one tenure are in one socio-economic group, and all occupants in another tenure are in a different socio-economic group. This would result in a total absolute difference of 200.

HA/LA	29.17
HA/OO	41.48
HA/PRU	22.78

This suggests that association tenants differ the least from privately rented tenants, as well as differing from them in an unsystematic way.

Table 8.15 (p.234) shows the socio-economic profile of the London Borough of Westminster, by tenure. Once again, housing association tenants are generally drawn from higher socio-economic groups than local authority tenants, and lower socio-economic groups than owner occupiers. Considering the socio-economic data in detail, the general pattern in Westminster is similar to that found in Islington. Owner occupation accommodates the highest proportion in the professional and managerial groups. Housing associations house the highest proportion in the intermediate and junior non-manual group. Local authorities house the highest proportion in the skilled, semi-skilled and unskilled manual groups. Whilst this general pattern is similar to that found in Islington, comparing tables 8.14 and 8.15 we see that the scale of the differences found in Westminster are more pronounced than those found in Islington. For example, the proportion of household heads in owner occupation in socio-economic group 2 (managerial), exceeds the proportion in housing association accommodation in this group by over 20% in Westminster, but by only 12% in Islington. The proportion of housing association tenants in socio-economic group 3 (intermediate and junior non-manual), is similar to the proportion owner occupying in this group in Islington, yet in Westminster it exceeds the proportion in owner occupation by nearly 10%. Furthermore, the proportion of household heads in association accommodation in socio-economic group 4 (skilled manual), exceeds that renting from a local authority in Islington, but in Westminster the relationship is the other way around, where local authorities house the highest proportion in all three of the lowest socio-economic groups. Thus, relative to housing association tenants, owner occupation is more heavily biased towards the professional and managerial groups in Westminster than it is in Islington. Relative to other tenures, housing associations are more heavily biased towards the intermediate and junior non-manual group

in Westminster than they are in Islington. Relative to housing association tenants, local authorities are more heavily biased towards the three lowest socio-economic groups in Westminster than they are in Islington. Indeed, the proportion of local authority tenants in socio-economic groups 4 to 6 is 48% in Westminster, exceeding the proportion of housing association tenants in these groups by 13 percentage points. In Islington however, the proportion of local authority tenants in these groups only exceeds the proportion of housing association tenants by 6 percentage points.

Association tenants are drawn from lower socio-economic groups than privately rented tenants in Westminster (excluding retired tenants). Indeed, the absolute differences between the tenures shows that association tenants are most similar to municipal tenants in this borough:

HA/LA	34.54
HA/OO	68.58
HA/PRU	44.02

It is worth pointing out that these differences are all large in comparison to those found in Islington. To what extent are these variations simply the result of the overall population differences between the two boroughs?

TABLE 8.14 Socio-economic profile, by tenure,  
in Islington (1981).

Tenure	All [1]	HA [2]	LA [1]	OO [1]	PRU [1]	HA-LA	HA-OO	HA-PRU
Socio-economic group								
1	2.59	1.46	1.27	7.46	1.87	0.19	-6.00	-0.41
2	4.89	3.66	2.79	9.89	6.73	0.87	-6.23	-3.07
3	0.61	0.37	0.06	2.71	0.56	0.31	-2.34	-0.19
4	2.81	2.56	0.65	8.58	1.68	1.91	-6.02	0.88
5.1	7.36	9.32	3.21	14.46	6.54	6.11	-5.14	2.78
5.2	0.67	0.37	0.68	0.84	0.75	-0.31	-0.47	-0.38
6	12.30	15.72	11.00	10.17	12.90	4.72	5.55	2.82
7	4.80	2.38	5.54	3.45	3.36	-3.16	-1.07	-0.98
8	2.06	3.29	2.25	2.15	1.68	1.04	1.14	1.61
9	13.54	14.99	16.43	8.40	12.34	-1.44	6.59	2.65
10	12.86	13.71	15.19	7.28	12.15	-1.48	6.43	1.56
11	7.58	6.76	9.34	3.54	7.29	-2.58	3.22	-0.53
12	4.70	5.12	3.88	8.40	4.49	1.24	-3.28	0.63
13	0.05	0.00	0.06	0.09	0.00	-0.06	-0.09	0.00
14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15	0.02	0.00	0.03	0.00	0.00	-0.03	0.00	0.00
16	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17	2.58	2.19	2.84	1.68	2.62	-0.65	0.51	-0.43
R/A	5.60	5.30	6.36	5.04	5.98	-1.06	0.26	-0.68
R/I	14.98	12.80	18.43	5.88	19.07	-5.63	6.92	-6.27
Total	100	100	100	100	100			
Grouped socio-economic group								
1 P	3.42	2.93	0.71	11.29	2.24	2.22	-8.36	0.69
2 M	7.53	5.12	4.12	17.44	8.60	1.00	-12.32	-3.48
3 IJNM	20.33	25.41	14.89	25.47	20.19	10.52	-0.06	5.22
4 SM	20.30	23.40	22.56	18.94	18.50	0.84	4.46	4.90
5 SSM	17.68	16.09	20.76	10.73	15.51	-4.67	5.36	0.58
6 USM	7.58	6.76	9.34	3.54	7.29	-2.58	3.22	-0.53
Other	2.60	2.19	2.84	1.68	2.62	-0.65	0.51	-0.43
Retired	20.58	18.10	24.79	10.91	25.05	-6.69	7.19	-6.95
Total	100	100	100	100	100			

Source: [1] 1981 Census, Greater London County Report, Part 2. Derived from table 47.

[2] 1981 Census, special tabulation from Greater London County Report, Part 2 (derivation).

Note: R/A indicates retired head in household with an active member.

R/I indicates retired head in household with no active member.

TABLE 8.15 Socio-economic profile, by tenure,  
in Westminster (1981).

Tenure	All [1]	HA [2]	LA [1]	OO [1]	PRU [1]	HA-LA	HA-OO	HA-PRU
Socio-economic group								
1	4.82	2.82	1.89	8.78	5.80	0.93	-5.96	-2.98
2	11.81	4.79	3.57	21.67	17.53	1.22	-16.88	-12.74
3	1.93	0.28	0.14	5.60	2.69	0.14	-5.32	-2.41
4	3.78	2.25	0.94	8.00	3.39	1.31	-5.75	-1.14
5.1	8.57	10.00	3.57	11.71	10.04	6.43	-1.71	-0.04
5.2	0.63	0.99	0.89	0.13	0.78	0.10	0.86	0.21
6	14.66	20.14	13.25	9.82	15.12	6.89	10.32	5.02
7	7.62	8.03	9.39	2.47	3.74	-1.36	5.56	4.29
8	0.97	0.99	1.74	0.26	0.64	-0.75	0.73	0.35
9	5.69	7.46	11.27	1.69	2.97	-3.67	5.77	4.49
10	6.34	7.61	10.42	1.76	3.04	-2.81	5.85	4.57
11	5.38	7.46	11.23	0.65	2.12	-3.77	6.81	5.34
12	3.77	3.52	3.62	4.10	5.94	-0.10	-0.58	-2.42
13	0.03	0.00	0.00	0.13	0.00	0.00	-0.13	0.00
14	0.01	0.00	0.00	0.00	0.07	0.00	0.00	-0.07
15	0.07	0.14	0.09	0.00	0.00	0.05	0.14	0.14
16	0.59	0.14	0.05	0.33	0.21	0.09	-0.19	-0.07
17	2.68	2.53	2.58	2.60	2.33	-0.05	-0.07	0.20
R/A	4.22	2.54	6.25	4.36	4.17	-3.71	-1.82	-1.63
R/I	16.44	18.31	19.30	15.94	19.43	-0.99	2.37	-1.12
Total	100	100	100	100	100			
Grouped socio-economic group								
1 P	5.71	2.54	1.08	13.60	6.08	1.46	-11.06	-3.54
2 M	16.66	7.61	5.26	30.58	23.32	2.35	-22.97	-15.71
3 IJNM	23.86	31.13	17.71	21.67	25.94	13.42	9.46	5.19
4 SM	10.44	11.97	16.63	6.05	9.61	-4.66	5.92	2.36
5 SSM	14.03	15.77	19.90	4.23	6.78	-4.13	11.54	8.99
6 USM	5.38	7.46	11.23	0.65	2.12	-3.77	6.81	5.34
Other	3.27	2.68	2.63	2.93	2.54	0.05	-0.25	0.14
Retired	20.66	20.85	25.55	20.30	23.60	-4.70	0.55	-2.75
Total	100	100	100	100	100			

Source: [1] 1981 Census, Greater London County Report, Part 2. Derived from table 47.

[2] 1981 Census, special tabulation from Greater London County Report, Part 2 (derivation).

Note: R/A indicates retired head in household with an active member.

R/I indicates retired head in household with no active member.

TABLE 8.16 Comparison of tenants of housing associations, and the total population of Islington and Westminster (1981).

Area	Westminster		Islington		Difference	
Tenure	All [1]	HA [2]	All [1]	HA [2]	All [1]	HA [2]
Socio-economic group						
1	4.82	2.82	2.59	1.46	2.23	1.36
2	11.81	4.79	4.89	3.66	6.92	1.13
3	1.93	0.28	0.61	0.37	1.32	-0.09
4	3.78	2.25	2.81	2.56	0.97	-0.31
5.1	8.57	10.00	7.36	9.32	1.21	0.68
5.2	0.63	0.99	0.67	0.37	-0.04	0.62
6	14.66	20.14	12.30	15.72	2.36	4.42
7	7.62	8.03	4.80	2.38	2.82	5.65
8	0.97	0.99	2.06	3.29	-1.09	-2.30
9	5.69	7.46	13.54	14.99	-7.85	-7.53
10	6.34	7.61	12.86	13.71	-6.52	-6.10
11	5.38	7.46	7.58	6.76	-2.20	0.70
12	3.77	3.52	4.70	5.12	-0.93	-1.60
13	0.03	0.00	0.05	0.00	-0.02	0.00
14	0.01	0.00	0.00	0.00	0.01	0.00
15	0.07	0.14	0.02	0.00	0.05	0.14
16	0.59	0.14	0.02	0.00	0.57	0.14
17	2.68	2.53	2.58	2.19	0.10	0.34
R/A	4.22	2.54	5.60	5.30	-1.38	-2.76
R/I	16.44	18.31	14.98	12.80	1.46	5.51
Total	100	100	100	100		
Grouped socio-economic group						
1 P	5.71	2.54	3.42	2.93	2.29	-0.39
2 M	16.66	7.61	7.53	5.12	9.13	2.49
3 IJNM	23.86	31.13	20.33	25.41	3.53	5.72
4 SM	10.44	11.97	20.30	23.40	-9.86	-11.43
5 SSM	14.03	15.77	17.68	16.09	-3.65	-0.32
6 USM	5.38	7.46	7.58	6.76	-2.20	0.70
Other	3.27	2.68	2.60	2.19	0.67	0.49
Retired	20.66	20.85	20.58	18.10	0.08	2.75
Total	100	100	100	100		

Source: [1] 1981 Census, Greater London County Report, Part 2. Derived from table 47.

[2] 1981 Census, special tabulation from Greater London County Report, Part 2 (derivation).

Note: R/A indicates retired head in household with an active member.

R/I indicates retired head in household with no active member.



TABLE 8.17 Comparison of socio-economic profile of different tenures in the combined London Boroughs of Islington and Westminster (1981).

Tenure	All [1]	HA [2]	LA [1]	OO [1]	PRU [1]	HA-LA	HA-OO	HA-PRU
Socio-economic group								
1	3.78	2.23	1.43	8.24	4.72	0.80	-6.01	-2.49
2	8.57	4.30	3.08	16.83	14.56	1.22	-12.53	-10.26
3	1.31	0.32	0.09	4.41	2.10	0.23	-4.09	-1.78
4	3.33	2.39	0.76	8.24	2.92	1.63	-5.85	-0.53
5.1	8.01	9.71	3.34	12.84	9.08	6.37	-3.13	0.63
5.2	0.65	0.72	0.76	0.42	0.77	-0.04	0.30	-0.05
6	13.56	18.22	11.84	9.97	14.51	6.38	8.25	3.71
7	6.30	5.57	6.99	2.87	3.64	-1.42	2.70	1.93
8	1.48	2.00	2.06	1.03	0.92	-0.06	0.97	1.08
9	9.36	10.74	14.50	4.45	5.54	-3.76	6.29	5.20
10	9.39	10.26	13.41	4.02	5.54	-3.15	6.24	4.72
11	6.41	7.16	10.05	1.84	3.54	-2.89	5.32	3.62
12	4.21	4.22	3.78	5.86	5.54	0.44	-1.64	-1.32
13	0.04	0.00	0.04	0.11	0.00	-0.04	-0.11	0.00
14	0.01	0.00	0.00	0.00	0.05	0.00	0.00	-0.05
15	0.04	0.08	0.05	0.00	0.00	0.03	0.08	0.08
16	0.32	0.08	0.02	0.19	0.15	0.06	-0.11	-0.07
17	2.63	2.39	2.75	2.22	2.41	-0.36	0.17	-0.02
R/A	4.87	3.74	6.32	4.64	4.67	-2.58	-0.90	-0.93
R/I	15.76	15.91	18.76	11.81	19.33	-2.85	4.10	-3.42
Total	100	100	100	100	100			
Grouped socio-economic group								
1 P	4.63	2.70	0.84	12.65	5.03	1.86	-9.95	-2.33
2 M	12.39	6.52	4.54	25.18	19.28	1.98	-18.66	-12.76
3 IJNM	22.21	28.64	15.94	23.23	24.36	12.70	5.41	4.28
4 SM	15.06	16.95	20.34	11.35	12.05	-3.39	5.60	4.90
5 SSM	15.73	15.91	20.45	6.90	9.18	-4.54	9.01	6.73
6 USM	6.41	7.16	10.05	1.84	3.54	-2.89	5.32	3.62
Other	2.95	2.47	2.76	2.41	2.56	-0.29	0.06	-0.09
Retired	20.62	19.65	25.07	16.44	24.00	-5.42	3.21	-4.35
Total	100	100	100	100	100			

Source: [1] 1981 Census, Greater London County Report, Part 2. Derived from table 47.

[2] 1981 Census, special tabulation from Greater London County Report, Part 2 (derivation).

Note: R/A indicates retired head in household with an active member.

R/I indicates retired head in household with no active member.

Chapter 4 described how the boroughs were selected in order to minimise the difference between their household characteristics. The requirement that the boroughs should have different local political control restricted the extent to which this was possible [14] . Table 8.16 (p.235) compares the total population of Islington and Westminster, and the tenants of housing associations in these areas. It can be seen that the heads of households in Westminster are generally from higher socio-economic groups than the population of Islington; the proportion in socio-economic groups 1 to 3 being higher in Westminster, and the proportion in socio-economic groups 4 to 6 being higher in Islington. The difference in association tenants is somewhat less pronounced than this. Indeed, in only two groups is the difference between association tenants greater than three percentage points [15] . Furthermore, the comparison of tables 8.14 and 8.15 above showed that, relative to other tenures, local authorities accommodate a disproportionately high number of tenants in the lowest three socio-economic groups in Westminster, despite the population of this borough being generally from higher socio-economic groups than Islington [16] . This is confirmed in table 8.16, where the proportion of housing association tenants in socio-economic groups 4 to 6 is 35% in Westminster, but exceeds the proportion in the total population by 5.5%. In Islington the proportion of housing association tenants in these groups is 46%, yet it exceeds the proportion in the total population by only 0.5%. This suggests that associations are not merely responding to the population profile of their areas; something is causing them to house groups of people more similar across the local authority areas than the

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[14] See table 4.6, chapter 4. Although the population of Westminster is nearer to that of Islington than is the population of Kensington and Chelsea, there is still a wide variation.

[15] This occurs in socio-economic groups 3 and 4. In Westminster, 31% of association tenants are in the intermediate and junior non-manual group, whilst only 25% are in this group in Islington. Conversely, in Islington 23% of association tenants are skilled manual, whilst in Westminster only 12% are.

[16] The proportion of local authority tenants in socio-economic groups 4 to 6 in Islington is indeed higher than in Westminster, but relative to other tenures, local authorities seem to specialise in housing groups from these groups more in Westminster.

socio-economic profiles of the boroughs alone would suggest [17] . This is borne out by considering the absolute differences between the figures:

All/All	31.41
HA/HA	24.29

In particular, associations cater for less professional people than the total population would suggest, and more people in the intermediate and junior non-manual and skilled manual groups than the total population would suggest.

Tables 8.14 and 8.15 compared the occupants of the various tenures in Islington and Westminster. Table 8.17 (p.236) combines this data, and permits a comparison of the situation in the individual boroughs with the overall position in the two boroughs. Combining the boroughs gives a total sample of 1,257 association households (1.22% of all association households in Greater London). Once again, associations cater for higher socio-economic groups than local authorities, and lower socio-economic groups than owner occupation. The tenure with the highest proportion of its household heads in the professional and managerial classes is owner occupation. Housing associations have proportionately the most occupants in the intermediate and junior non-manual class, and local authorities have the highest proportion in the skilled, semi-skilled and unskilled manual classes (this relationship between tenures closely resembles the position nationally; see appendix 8). In the combined boroughs, associations cater for lower socio-economic groups than does the privately rented sector. The tenants of associations are most similar to the tenants local authorities however, despite their very different tenant profiles:

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[17] Although it is possible to suggest that association stock size characteristics may lead them to house similar types of households, irrespective of area, this does little to suggest why the socio-economic group of their tenants should vary less than variations in the local population. It is possible that local authorities may nominate similar types of tenants, but chapter 7 showed that this is not the case in Islington and Westminster. It could be argued that the preponderance of rehabilitation, and the acquisition of sitting tenants, is partly responsible for this finding.

HA/LA	33.07
HA/OO	57.22
HA/PRU	39.06

As stated above, it is necessary to also consider the amount of work undertaken by associations which results in home ownership, for this is included as owner occupation in the tables above. Although equity creation through housing association schemes is unlike the types of activities which the philanthropic trusts undertook in the nineteenth century, any analysis of the rationale of state support for housing associations in the twentieth century must consider the extent to which associations are being encouraged to promote owner occupation. In fact, the definitional convention used in the Census is not likely to switch many tenants of housing associations into the owner occupied category. In 1982/83 only 1.4% of association completions resulted in home ownership [18] . Furthermore, the 1982/83 Annual Report of the Housing Corporation (p.9) reveals that only 947 units were purchased under the 1980 Housing Act prior to 31st March 1982, so this is not a significant factor either. The effect of this definitional convention on any future survey which phrases the tenure question in the same way will be much greater; in 1982/83 just over 16% of association completions resulted in house purchase, and 2,894 units were sold under the 1980 Housing Act provisions. In a period when the Conservative Government is attempting to extend the right to buy to charitable associations, and has accused charitable associations of breaking the law by not housing poor people, the importance of the Census definition of tenure should not be underestimated. Purchasers of association property are included as owner occupiers, instantly increasing the proportion of people who are seen to be adopting non state solutions to their housing needs. Those people unable to purchase association property will be a relatively poor subset of all people occupying association property, representing the activity of housing associations as being entirely in accordance with Conservative desires that they should only house the residual poor. Using the Census definition of tenure, the more associations encourage ownership for middle income tenants, the more

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[18] 1981/82 Annual Report of the Housing Corporation, Appendix I.

the Census will suggest that the only activity of housing associations is the housing of a residual category of poor households.

### 8.3.3 Conclusions

The evidence suggests that housing associations accommodate people of higher socio-economic status than local authorities house. Despite this, association tenants are more like municipal tenants than they are the occupants of any other tenure. This suggests that associations are not duplicating local authority work, and yet are not performing totally dissimilar tasks.

## 8.4 Conclusions

The empirical research described above demonstrates that the tenants of housing associations differ from the tenants of local authorities, and from privately rented tenants. Households in association accommodation tend to be small and young. Association tenants are generally from higher socio-economic groups than local authority tenants, and from lower socio-economic groups than owner occupiers. There is no similar systematic relationship between association tenants and privately rented tenants in this respect. Although association tenants are drawn from higher socio-economic groups than local authority tenants, the tenants of associations are more similar to council tenants than they are to the occupants of any other tenure in terms of absolute percentage difference. These findings suggest that in Islington and Westminster, associations are fulfilling a distinctive role, between (public) renting and ownership, but reasonably similar to the work of local authorities. This indicates that associations are **complementing** the work of local authorities.

These general trends do vary between the study boroughs. In Islington association tenants are most similar to privately rented tenants. In Westminster (and Kensington and Chelsea, see appendix 7) association tenants are most similar to council tenants. Since few boroughs were examined it is difficult to generalise from this, but it does seem that the relationship between the tenants of associations and of other tenures may

vary considerably between areas (see section 7.5, chapter 7).

The quality of association record keeping was generally poor, preventing any monitoring of allocational performance through the tenant files alone. The associations are responsible for selecting a minority of their tenants, and their allocational performance does not accurately match their policy statements. This suggests that the differences in tenant profiles does not result from any preconceived or testable strategy on the part of housing associations. It is therefore difficult to imagine how central government could be capable of imposing a significant influence upon association allocation practices.



## 9. CONCLUSIONS

### 9.1 The Nature of State Housing Policy Formation

Whilst chapter 8 concluded that housing associations 'complement' local authority activities in Islington and Westminster, it must be stressed that this is not a mechanical result of central government preferences. The practice of housing association allocational activities is the result of the long and complex evolution of the movement, from its nineteenth century philanthropic origins to government influence dating from the early 1960s. This has given the movement a bewildering variety of organisational structures and allocational objectives, and has permitted a variety of possible relationships between local authorities and housing associations. These factors suggest that the association movement does not lend itself to a model of state activity which proposes that central government rationally pursues a fixed objective, and implements long term strategies intended to secure its achievement. There are many influences upon state policy formation. Goodwin (1980) argues that economically functionalist and relative autonomy explanations of state intervention tend to be applied uncausally, whereas both political and economic forces shape state housing policy. In order to properly understand the nature of state intervention, therefore, Goodwin (1980, p.2) suggests that

"the general theory of state action must be related to national housing legislation, and to local implementation of this legislation, for it is only through empirical investigation that we are able to discover the particular form of state activity. One may be able to deduce theoretically that the inherent contradictions of capitalism will necessitate state intervention, but the form that such intervention assumes can only be revealed through detailed historical research."

This approach to a study of housing is essential if the links between political, economic and ideological influences upon state policies are to be explored, and such a perspective has been adopted in this thesis. Whilst the nature of central government support for housing associations has undergone dramatic changes since the Conservative Housing Act of 1961, central government has little control over the activities of individual housing associations, especially compared to the ability of local authorities to nominate association tenants. Thus central government cannot guarantee that specific allocational functions will be performed by housing associations.

Chapter 3 demonstrated that most of the debate over the proper role of housing associations has related to the more general question of the part to be played by existing tenures. Swann (1975, p.117) recognises that in the nineteenth century, "housing associations had the ideological purpose of attempting to show that private enterprise could profitably provide decent housing for the working classes", similarly cost rent and co-ownership societies can be seen as an ideological attack upon municipal provision. But ideology is not a totally autonomous influence upon state policy, for ideological strategies seek to protect certain economic or political relationships, and are influenced by factors which threaten to change these relationships. Thus, it must be remembered that changes in the structure of private provision also influenced government policies towards housing associations. The decline of private renting in the nineteenth century, when public provision was perceived as an undesirable alternative, prompted governments to assist housing trusts. Similarly, the continued decline of private renting in spite of, or because of, the 1957 Rent Act, when a Conservative Government considered an enlargement of public provision an undesirable alternative, prompted the government to assist new style housing associations. Once legislation is enacted, successive governments modify it in the light of their own ideologies (Short, 1982, p.36), and the changing political and economic climate. Pickvance (1981) provides an excellent example of this process in his study of the development of regional policy. According to Pickvance (1981, p.247)

"Regional policy in Britain ... shows a chameleon-like shift away

from a concern with regional unemployment and towards the assistance of capital-intensive investment which due to market forces is increasingly attracted to Assisted Area locations."

Thus the implementation of particular policies can be directed towards goals very different from those envisaged at their inception. Pickvance (1981) suggests that these policy changes may be so subtle that they allow the policy to retain a semblance of its original appearance, whilst they are implemented to serve very different ends. Of industrial and office development controls, Pickvance (1981, p.258) suggests

"both had an 'anti-market', if not anti-capitalist, character at their origin, and both have evolved chameleon-like away from their original character while retaining their original 'social' wrapper."

The development of legislation relating to housing associations provides some excellent examples of this general approach to policy formation. First, the use of housing associations to promote economic renting in the 1960s, when the tradition of the movement had been entirely charitable until then, reflects an attempt to legitimate state support for what was effectively a new form of private renting by relying upon the socially acceptable facade of the philanthropic movement. The confusion of roles that this caused within the movement has already been referred to (see section 5.3, chapter 5). Secondly, chapter 3 demonstrated how small changes to legislation in 1974, and an increase in capital allocations to associations, radically changed the 'image' of housing association activity, from being perceived as quasi-private, to being perceived as a part of the public sector in housing.

Ball (1983, p.368) suggests that this method of incremental policy change is a necessary consequence of "the political effects of ideological allegiances to tenures and the consequences of the politics of tenure". There are now powerful political groupings ideologically committed to the dominant tenure forms, owner occupation and municipal renting, and Ball (1983, p.369) suggests that

"reforms of these two existing tenures must be the main thrust

of new policy initiatives rather than replacement of them by new tenure forms. Otherwise such ideologically based tenure support will act as a barrier to change rather than a means by which it can be implemented."

Kemeny (1981, p.156-7) also suggests that innovations in housing policy are likely to replicate dominant tenures:

"there is a symbiotic relationship between ideology and the power to determine policy. Once a system has been established which discriminates between tenures ... there is a strong element of self-perpetuation involved."

Consumer preference will be shaped by the existing structure of provision, which reflects past as well as present ideological and political commitments to tenures. Is it true, then, that unless housing association provision duplicates one of the dominant tenure forms, that it is destined to occupy a place in the political background? Kemeny (1978, p.48) suggests that this is the case when he points out that

"The very different development of co-operatives in Australia and Sweden suggests that the co-operative movement has developed in response to difficulties associated with the ability of people to secure accommodation of the type of tenure dominant in these societies. In other words, potential owners in Australia and potential renters in Sweden have developed co-operative enterprises which are seen as substitutes for owning and renting respectively, and this may explain in part at least, the very different form that co-operatives in these countries take."

Are policies towards housing associations unlikely to radically change consumption and production patterns because of these constraints? Regarding housing consumption, section 3.4.2, chapter 3, discussed Labour and Conservative attitudes towards housing co-operatives. In practice, very few examples of full tenant self-control can be found. Past debates on the role of housing co-operatives usually revolve around the issue of the extent to which local authority tenants should be responsible for

minor repairs, and the financial implications of this. Whether tenants should influence the design of houses, or the allocation of tenants to them, is rarely an issue.

Similarly, the nature of housing production is often overlooked in analyses of state intervention in housing. Duncan (1981, p.241) for example, says of the functionalist approach of Castells, the "production of housing, the nature of its circulation and exchange, and the links between this and class conflict and state intervention as a whole; all this is to be neglected". Further, Harloe (1978, p.599) criticises the 1977 Consultative Document on Housing Policy on the grounds that

"Some important concerns are omitted altogether. For example, ... the domination of private production for profit in housing lies at the heart of any fundamental analysis of the sector, yet questions of production (and landownership) are not merely omitted from the final document but they were explicitly excluded from consideration in the review from its start."

These themes are manifest in the development of government support for the association movement. Since government debates on housing policy largely exclude discussions of democratic management and public development, housing associations were never likely to be encouraged to perform tasks radically different from those undertaken by local authorities. The stock characteristics of housing provided through associations has led them to house small, and therefore young and old households, but this is not the result of an explicit policy requirement. It is the result of the financing system which has encouraged the provision of small units. Indeed, the outcome of housing association activity is a response to broadly defined central objectives relating to tenure form rather than detailed performance criteria.

It is difficult to imagine any direct economic function for such a policy. Whilst housing association provision has not altered the private basis of housebuilding, neither had municipal provision before it, and this failure to change market relationships can hardly be used to explain such a substantial policy initiative. Furthermore, although associations are being encouraged to enforce their charitable status, and concentrate

upon housing the poor, a similar approach is also being applied to local authorities. If the intention of this is that the economically underprivileged should be discouraged from political mobilisation, something which Kirby (1981) is rightly sceptical about, why encourage local authorities and housing associations to do this?

An alternative approach to such functionalist explanations is to suggest that the policies resulted from political pressure. The quality of public housing built during the 1960s has received widespread criticism, and it can be suggested that housing associations were promoted as a response to public protest over the nature of the public housing programme. There is little evidence to support this view, for public protest over the nature of municipal buliding programmes has been notably ineffective in this country (see Dunleavy, 1977). Indeed, an analysis of government debates in the 1960s suggests that early cost rent and co-ownership schemes were very much the idea, as well as the creation, of central government.

The most plausible explanation of the policy initiative is that it corresponds to the ideological aspects of a relative autonomy view of the state outlined in chapter 2. The alternatives to a declining privately rented sector were viewed largely in terms of existing tenures, as an expansion of owner occupation or public renting. In order to prevent further expansion of the municipal sector, which is produced to meet need rather than the market criteria of ability to pay, the Conservative Government of 1961 established a quasi-private alternative tenure. This sought to attract middle-income tenants away from public housing authorities. The ideological basis of early Conservative support for the movement was thus to contain political pressure for an expansion of municipalisation of privately rented stock, and to demonstrate that the private sector was still capable of new investment in private (rented) housing. From the time this policy was implemented however, successive governments have adapted the legislation to meet their changing conceptions of the desirable form of state intervention in housing. It is because the policy has evolved in piecemeal fashion that it contains such contradictory elements. The Labour Party has used the movement to demonstrate that public intervention can be sensitive (rehabilitation),



whilst the Conservative Party has used the movement to demonstrate the potential of private initiative and private financing. Indeed, it is because private finance has not been forthcoming that the Conservative Party is now attempting to privatise the houses produced by associations. Clearly, an historical perspective is essential if we are to understand the nature of political support for the movement, for the nature of this support has changed dramatically over the last two decades.

Such an approach to policy formation necessarily ignores radical innovations in housing production and consumption. What is needed is a theoretical approach which stops housing legislation comprising ad hoc responses to perceived problems, and adopts a policy approach to housing consumption and production integrated across tenures. What moves are possible in order to reform the consumption and production of housing? Saunders (1982) suggests that the benefits of occupying different tenures should be equalised. This can be done by preventing personal capital gains through owner occupation, and by increasing tenant control in rented property. As Forrest (1984, p.5-6) puts it

"it is important to move beyond tenure divisions to demystify notions of 'public' and 'private' and to develop housing policies which transcend the existing tenure structure."

Several proposals have been made to achieve this "gradual blurring of the distinction between ownership and renting" (Ball, 1983, p.390), a move which may begin to break down ideological commitments to existing dominant tenure forms.

## 9.2 Tenure Neutral Housing Policy

In 1981 the Labour Party published A Future for Public Housing, which suggested five reforms to the consumption of housing intended to break down the basis of traditional attachments to tenures. The first consisted of more autonomy for local authority tenants through a form of "leasehold ownership" in the public sector (p.28). This policy consisted of

- (i) the granting of life tenancies, with rent arrears being the

- only grounds for repossession, and
- (ii) tenants being responsible for repairs and free to undertake improvements.

According to the Labour Party (1981, p.28) such a scheme "offers a way for public housing to meet the widespread aspirations for dweller control which have fuelled the support for council house sales, while simultaneously preserving the advantages of public ownership". It has been pointed out that the tenants of housing associations do not generally enjoy more rights of self control than the tenants of local authorities, so the argument could equally have been applied to housing association tenancies.

The second reform suggested by the Labour Party (1981, p.38) was to widen the scope of municipal provision to include the provision of

- (i) furnished accommodation,
- (ii) shared accommodation,
- (iii) housing with social support,
- (iv) unconventional housing, for example, for the needs of people who must work at home, and
- (v) cheap or short life housing for people choosing to pay little or nothing for their housing.

Much of the support for housing association provision relies on the argument that it provides rented accommodation for types of people not traditionally housed by local authorities. Tenure neutral policy must therefore encourage diversity within municipal and association provision.

The third proposal was to extend mobility between tenures (p.63). Preference for renting or owning may vary with stage in the family life-cycle, from marriage and the raising of children to retirement. The Labour Party considers it desirable that people should be able to switch tenures, and "broad comparability between the tenures ... can lay the basis for such flexibility" (p.64), including rendering owner occupiers eligible for council housing; for example, on retirement. Mobility between municipal and association accommodation already exists, with nominations and voluntary agreements. Housing associations only occasionally house poor owner

occupiers, and whilst the Labour Party stresses the need for more links between owner occupation and municipal provision, the policy could logically be extended to relationships between owner occupation and housing association provision.

The fourth proposal was to devise a method whereby council tenants can benefit from the appreciation in the value of the dwelling that they occupy. This policy is in marked contrast to recent attitudes towards rented provision by associations. Unless an association tenant is purchasing the property occupied, tenant equity is tightly controlled, especially in the case of housing co-operatives. An alternative approach is to restrict wealth creation through owner occupation, as suggested by Ball (1983), for this raises less problems over the comparability between municipal and association provision.

The fifth proposal was that of the "comprehensive housing service" (p.62), where the local authority assumes responsibility for all types of housing provision within its area. It is here that the primacy of municipal provision over association provision, implicit in the previous proposals, comes closest to the surface. Indeed, the set of policies contained in A Future for Public Housing seem designed to ensure a dominant role for council housing, by making a council tenancy a more desirable experience. Nothing is suggested about the sources of finance for housing or the nature of housing production. Referring to proposals for a National Construction Corporation, Crosland (1971, p.6-7) sums up the attitude of the Labour Party to housing production by suggesting that such proposals

"are directed not to the housing problem as such, but to the structure of the industry and the conditions of the workers in it."

Whilst the experience of a council tenancy would be greatly improved by the policies suggested, crucial issues of finance and production are ignored. Without considering all of these factors it will be difficult to confer upon public renting, from a local authority or a housing association, benefits comparable to those offered by owner occupation. Only if this is done will public renting attract broad based political

support equivalent to that existing for owner occupation.

The Social Democratic Party considered the significance of housing finance in its Green Paper A Strategy for Housing (1983). The Party proposed attracting private institutional investment into a National Housing Bank, which would be used to promote housing association provision at rents between fair rents and economic rents (see section 3.4.3, chapter 3). This is reminiscent of the basis of cost renting and co-ownership, and recognising that it would be unlikely to succeed in competition with existing subsidies to owner occupation, the Party suggests that mortgage tax relief "should be reformed in order to direct assistance to those who most need it; introduce greater fairness as between owners and between owners and those who rent, and to establish a ceiling for Exchequer support" (p.27). Indeed, one reason for the failure of cost renting was that the relative attractiveness of ordinary owner occupation proved to be too great, especially as interest rates began to rise. The policy of the Social Democratic Party is to promote tenure neutrality through competition between suppliers. This is a perspective shared by Kemeny (1981, p.153-4), who suggests that Conservative stigmatisation of council housing requires a move away from municipal provision:

"Although there is no reason why local governments should not be able to run a non-stigmatized cost-rental sector, it is probably desirable that cost-renting not be defined as a kind of community service if it is to gain status comparable to home-ownership. In addition, it is more conducive to competition and occupier control if some of the larger local housing authorities lost their virtual monopoly status."

Both Ball (1983) and Kemeny recognise the importance of "ideological images of organizational forms" (Ball, 1983, p.371), despite arriving at different conclusions. Although Kemeny moves beyond a study of housing consumption to discuss forms of provision, it is to the work of Ball (1983) that we must look for a radical view of housing production. Ball (p.391) suggests that "only through land and building industry nationalization can the preconditions exist for the progressive transformation of housing provision". Nationalisation alters the structure of housing provision in

all tenures simultaneously, and Ball (p.382) suggests that financial accounting criteria should be replaced by a 'social audit', an "amalgam of physical and financial goals". Removing council housing from the constraints of capitalist relations of production will allow local authorities to devote their efforts to meeting the aspirations of tenants for better design, and production more responsive to expressed needs.

The focus upon the social implications of housing tenure, rather than the ideological image of tenures, is relatively new. Writing in Marxism Today in May of this year, Griffiths and Holmes (1984) still stress the need for a new approach to the formation of radical housing policies which seek to "disentangle housing tenures from their implications for social status, ideology and access to wealth" (p.11), and break with traditional landlord-tenant relationships in state housing.

### 9.3 The Future for Housing Associations

During the 1980s, largely in response to Conservative policies which assert natural preferences for owner occupation, obstacles to access to council housing and the lack of self-control implicit in a council tenancy have become the subject of political debate. Groups with an ideological commitment to council housing have suggested reforms in local authority practice, whilst groups opposed to a municipal monopoly of rented accommodation have suggested alternative forms of rented provision.

In previous decades the debate was less innovative, with the 1977 Consultative Document on Housing Policy focussing upon minor modifications to existing tenures. It is hardly surprising that the debate on the role of housing associations should have been undertaken in terms of whether provision by them should be more like council housing or owner occupation, and that radical innovations such as tenant autonomy, design for specific clients or new methods of financing or production should have been absent. Housing association provision seems to 'complement' local authority provision, but we should not be surprised that two decades of policies towards housing associations should have resulted in them housing groups socio-economically mid-way between ownership and public

renting. What is symptomatic of the nature of British housing policy formation is the fact that nobody has bothered to seriously raise the issue of association allocations before. The ad hoc nature of housing policy formation has not permitted an analysis of the nature of association production and consumption, and an explicit statement of the role of associations in relation to existing tenures. Should associations rely upon alternative sources of finance, for example, from institutional investors? Should associations pioneer new systems of development, or relationships between developers and tenants which aim at more sensitive design, or a quicker response to expressed needs? Should the movement accommodate specific types of people, and pioneer types of management not found in previously existing tenures? Can local authority housing departments and private developers also perform some of these tasks? Until these questions are answered, association provision will vacillate between the known models of local authority provision and owner occupation. If such a definition is undertaken, and the social objectives of associations mapped out in detail, then the extent of local variation in the activities of housing associations may reduce. Until this is done the movement will fulfill a role between council housing and owner occupation, in search of an identity which can survive the ideological swings of successive governments.



# Appendix 1: Housing Associations in the Study Boroughs

## Housing Associations in Islington.

Association	Stock [1]	Category [2]	Special Needs [3]
Ada Lewis Womens Hostels	0	H	-
Afsil	0	-	-
Anchor	23	L	E
Church Army	0	HL	E
Circle 33	1,173	L	E,D
City Roads	0	-	-
Crown	0	HL	Civil servants and F
Family	11	HL	D and F
Guinness	82	HL	Y,E,D
Habinteg	19	HL	D
Highbury Corner			
Housing Co-operative	20	LC	SPF,SW
Holloway Tenant Co-operative	500	C	-
Islington and Shoreditch	184	L	E
John Grooms	12	L	D
London and Quadrant	3	HL	E,D
Mace	14	-	-
Metropolitan	5	L	-
New Islington and Hackney	1,033	HL	SPF
New Swift	6	LC	WP
Newlon	2	L	-
Peabody	1,584	L	-
Peter Bedford	0	HL	U,R
Samuel Lewis	246	HL	E,D
Shaftesbury Society	0	L	E
Sutton	186	HL	-
Utopian	97	L	S,SPF,E,D
Victoria Park	5	L	-
YWCA	0	L	W

## Housing Associations in Westminster.

Association	Stock [1]	Category [2]	Special Needs [3]
Auriol	18	HL	S
Brent People's	444	L	H
Central London for the Aged	480	L	E
Church Army	397	HL	E
Community	166	HL	-
Family	234	HL	D and F
Holland Co-ownership	12	-	-

Association	Stock [1]	Category [2]	Special Needs [3]
Irish Centre Hostels	132	H	S
JBG Housing Society	27	HL	E
Leinster Square	30	C	-
Look Ahead	297	HL	S
Octavia Hill and Rowe Over Forty Association for Women	71	HL	E
Paddington Churches	32	L	W
Paddington Old Peoples	1,990	HL	E,D
Peabody	23	L	E
Servite Houses	2,416	L	-
Seymour	65	HL	E,H
Single Persons	50	C	S
Soho	35	L	S
St. Marylebone	168	HL	-
Tennant	1,462	HL	E
Unicorn	583	HL	-
Westminster Homes	48	L	E
Womens Pioneer	36	L	E
WPHT	34	L	Working W
YWCA	702	L	E, Blind.
	397	L	W

Notes: [1] Stock data provided as follows; Islington data provided by Borough, as at 310382. Westminster data provided by Borough, as at 010483. Figures exclude non-self contained accommodation. [2] Categories derived from Housing Corporation (1982). C= co-ownership or co-operative, L= housing for letting, H= hostels. [3] Special needs categories in Housing Corporation (1982). Letters signify the following:

Y= young persons  
E= elderly  
D= disabled  
F= families of  
S= single persons  
SW= single working persons  
SPF= single parent families  
WP= working parents  
U= unemployed  
R= rootless persons  
W= women  
H= handicapped.

## Appendix 2: Analysis of H.S.I.P. Documents

### Islington

Year	81-82	82-83	83-84	84-85	85-86
(a) TOTAL (£000s)					
Block 1 (public)	36,714	56,381	38,203	61,918	60,273
Block 2 (private)	1,050	1,776	3,447	6,115	5,834
Block 3 (associations)	1,097	498	3,145	4,773	5,748
TOTAL	38,861	58,655	44,759	72,806	71,864
Municipalisation	1,224	1,540	2,038	1,750	374
(b) COLUMN %					
Block 1 (public)	94.48	96.12	85.28	85.05	83.87
Block 2 (private)	2.70	3.03	7.70	8.40	8.13
Block 3 (associations)	2.82	0.85	7.02	6.56	8.00
TOTAL	100.00	100.00	100.00	100.00	100.00
Municipalisation	3.15	2.63	4.55	2.40	0.52

### Westminster

Year	81-82	82-83	83-84	84-85	85-86
(a) TOTAL (£000s)					
Block 1 (public)	11,867	10,790	14,681	21,034	16,468
Block 2 (private)	3,260	5,093	6,652	7,743	8,000
Block 3 (associations)	4,970	5,713	5,850	7,852	8,250
TOTAL	20,097	21,596	27,183	36,629	32,718
Municipalisation	4	73	100	100	130
(b) COLUMN %					
Block 1 (public)	59.05	49.96	54.01	57.42	50.33
Block 2 (private)	16.22	23.58	24.47	21.14	24.45
Block 3 (associations)	24.73	26.45	21.52	21.44	25.22
TOTAL	100.00	100.00	100.00	100.00	100.00
Municipalisation	0.02	0.34	0.37	0.27	0.40

Source: HSIP documents from boroughs (1982 and 1983).

Note: 1981-82 and 1982-83 figures are actual expenditure, other figures are estimates.

These time series figures suggest that Islington is intending a slight shift away from the municipal programme. In 1981-82 blocks two and three comprised only 5.52% of its total expenditure. By 1985-86 this will have trebled to 16.13%. This is still far less than Westminster allocates to blocks two and three; 40.95% in 1982-83, rising to 49.97% in 1985-86. The general tendency for Islington to favour the municipal programme more than Westminster does is thus confirmed. The figures for municipalisation indicate that both authorities will be spending very little in this direction (Islington reducing this expenditure to 0.52% and Westminster

increasing it to 0.40%). The planned reduction in expenditure on municipalisation may explain why Islington is intending to increase its allocation to housing associations.

It should be pointed out however, that reliance upon future estimates is a dubious practice. The 1982 H.S.I.P.s of the boroughs inaccurately estimated 1982 expenditure when compared to actual payments as recorded in their 1983 H.S.I.P.s. In the case of expenditure on housing associations, Westminster spent 1.5% below its estimate (£5.71m compared to an estimate of £5.80m), and Islington spent 75.6% less (£0.49m compared to an estimate of £2.04m). Such differences may well not be the result of 'technical' factors. Local authorities may deliberately over- or under-estimate future expenditure in order to influence the future allocation of central government subsidies, or to influence the electorate. Such financial 'promises' do not have to be adhered to.

### Appendix 3: Association Units Provided Through GLC Funding

Borough	No. [1]	Percent [1]	Rank One [1]	Rank Two [2]	Rank Three [3]
Southwark	2,498	11.82	1	22	7
Lewisham	1,670	7.90	2	16	10
Hackney	1,662	7.86	3	5	5
Lambeth	1,440	6.81	4	29	6
Islington	1,439	6.81	5	20	4
Wandsworth	1,175	5.56	6	9	11
Brent	1,169	5.53	7	11	14
Greenwich	1,168	5.52	8	30	13
Hammersmith & Fulham	1,113	5.26	9	7	2
Tower Hamlets	837	3.96	10	21	12
Hounslow	837	3.96	11	17	17
Ealing	791	3.74	12	6	15
Croydon	645	3.05	13	13	21
Bromley	561	2.65	14	8	20
Waltham Forest	535	2.53	15	9	19
Camden	487	2.30	16	15	8
Newham	473	2.23	17	22	16
Barnet	362	1.71	18	18	24
Westminster	297	1.40	19	4	3
Merton	294	1.39	20	26	25
Kensington & Chelsea	278	1.31	21	1	1
Haringey	250	1.18	22	12	9
Havering	233	1.10	23	25	30
Harrow	181	0.85	24	28	28
Redbridge	145	0.68	25	14	29
Enfield	98	0.46	26	20	31
Richmond upon Thames	95	0.44	27	3	22
Kingston upon Thames	48	0.22	28	28	26
Hillingdon	39	0.18	29	19	23
Bexley	27	0.12	30	2	27
Sutton	21	0.09	31	18	18
Barking & Dagenham	8	0.03	32	24	33

Source: [1] Arden (1983, table 4.30);

[2] 1981 Census, Greater London County

Report Part 1. Derived from table 39;

[3] GLC (1983). Derived from table on p.41.

Note: Rank One ranks the boroughs according to the amount of association provision assisted by the GLC; Rank Two ranks the boroughs according to the proportion of HSIP allocations spent on associations by the boroughs; Rank Three ranks the boroughs according to the amount of association stock in each borough.

It is interesting to speculate whether GLC expenditure is intended to compensate for low levels of borough expenditure on associations in

certain areas. The table above ranks the boroughs in the order of association stock, borough and GLC expenditure on associations. This type of data is suitable for analysis using the Spearman rank order correlation coefficient. The following correlations are obtained:

Rank 1/Rank 2	0.0326
Rank 1/Rank 3	0.6844
Rank 2/Rank 3	0.3259

This shows that GLC expenditure correlates reasonably well with existing stock distributions, but shows neither a positive nor negative relationship to borough expenditure. In practice, therefore, GLC expenditure bears no relationship to borough expenditure. The number of units provided through GLC finance is small compared to the total stock of associations, so it appears that the GLC is merely reinforcing already existing trends.



## Appendix 4: Policy Documents of Study Boroughs

### Proposals for Zoning in Islington (1969).

The suggested zones were as follows:

Association	Ward
Islington and Shoreditch	St.Mary, Canonbury and St.Peter
New Islington	Quadrant and Mildmay
Circle 33	Holloway and Highbury
Barnsbury	Thornhill and Barnsbury
Isledon	St.George's and Hillmarton

### Zones in Westminster (1976).

The zones were as follows:

Number	Association
Zone 1	St.Marylebone HA (Brent Peoples HA reserve)
Zone 2	Paddington Churches HA and Circle 33 Housing Trust
Zone 3	Paddington Churches HA (Octavia Hill and Rowe HA reserve)
Zone 4	Unallocated
Zone 5	Unallocated
Zone 6	St.Marylebone HA (Circle 33 Housing Trust reserve)
Zone 7	Community HA
Zone 8	Soho HA
Zone 9	Peabody Trust
Zone 10	Tennant Housing Trust (Family HA reserve)

Note: HA= housing association.

### Zones in Westminster (1982).

The zones were as follows:

Number	Association
Zone 1	Brent People's HA and St.Marylebone HA
Zone 2	Paddington Churches HA
Zone 3	Paddington Churches HA
Zone 4	Unallocated
Zone 5	Unallocated
Zone 6	Circle 33 Housing Trust
Zone 7	Community HA
Zone 8	Community HA and Soho HA
Zone 9	Unallocated
Zone 10	Family HA and Tennant Housing Trust

Note: HA= housing association.

Housing Allocation Priority Groups in Westminster (1983).

Number	Type of household
Category 1	Households decanted from council property as part of the rehabilitation programme.
Category 2	Persons affected by closing orders, and homeless persons.
Category 3	Category 'A' medical cases, and social services nominations.
Category 4	Caretaking staff and staff of other departments.
Category 5	Possession order cases.
Category 6	Assistance to private landlords and housing associations to facilitate improvements to the housing stock.
Category 7	Special quotas approved by the committee.
Category 8	Waiting list applicants under the points scheme.

# Appendix 5: Household Composition in Study Boroughs

## HOUSEHOLD STRUCTURE BY TENURE

### Greater London

Household Type	Percentage					
	HA	LA	All	HA - All	LA - All	HA - LA
<u>1 Adult</u>						
Pensionable age (0)	22.6	18.6	14.4	8.2	4.2	4.0
Under pens' age (0)	16.1	8.5	11.6	4.5	-3.1	7.6
(1 or more)	5.5	5.5	2.7	2.8	2.8	0.0
<u>2 Adults (married)</u>						
(0)	16.7	19.6	21.5	-4.8	-1.9	-2.9
(1 or more)	15.2	14.3	16.2	-1.0	-1.9	0.9
<u>3 or more Adults-</u>						
<u>2 married</u>						
(0)	5.3	10.6	11.2	-5.9	-0.6	-5.3
(1 or more)	3.8	7.3	7.6	-3.8	-0.3	-3.5
<u>Other Adults-</u>						
<u>2 or more</u>						
(0)	11.4	10.9	12.1	-0.7	-1.2	0.5
(1 or more)	3.5	4.7	2.7	0.8	2.0	-1.2
1 ADULT	44.2	32.6	28.7	15.5	3.9	11.6
2 ADULTS	31.9	33.9	37.7	-5.8	-3.8	-2.0
3 ADULTS	9.1	17.8	18.8	-9.7	-1.0	-8.7
OTHER ADULTS	14.9	15.6	14.8	0.1	0.8	-0.7

### Islington

Household Type	Percentage					
	HA	LA	All	HA - All	LA - All	HA - LA
<u>1 Adult</u>						
Pensionable age (0)	14.7	19.4	15.8	-1.1	3.6	-4.7
Under pens' age (0)	20.4	11.6	17.5	2.9	-5.9	8.8
(1 or more)	6.0	5.2	3.9	2.1	1.3	0.8
<u>2 Adults (married)</u>						
(0)	15.1	17.8	17.0	-1.9	0.8	-2.7
(1 or more)	14.9	12.9	12.1	2.8	0.8	2.0
<u>3 or more Adults-</u>						
<u>2 married</u>						
(0)	6.4	9.5	8.9	-2.5	0.6	-3.1
(1 or more)	4.5	6.4	6.4	-1.9	0.0	-1.9
<u>Other Adults-</u>						
<u>2 or more</u>						
(0)	13.8	12.6	14.9	-1.1	-2.3	1.2
(1 or more)	4.2	4.6	3.5	0.7	0.9	-0.4
1 ADULT	41.1	36.2	37.2	3.9	-1.0	4.9
2 ADULTS	30.1	30.7	29.1	1.0	1.6	-0.6
3 ADULTS	10.9	15.9	15.2	-4.3	0.7	-5.0
OTHER ADULTS	18.0	17.2	18.5	-0.5	-1.3	0.8

# Westminster

	Percentage					
	HA	LA	All	HA - All	LA - All	HA - LA
Household Type						
1 Adult						
Pensionable age (0)	29.0	24.5	19.2	9.8	5.3	4.5
Under pens' age (0)	22.9	12.1	23.9	-1.0	-11.8	10.8
(1 or more)	3.9	4.5	2.4	1.5	2.1	-0.6
2 Adults (married)						
(0)	13.6	16.9	16.6	-3.0	0.3	-3.3
(1 or more)	8.2	10.5	8.2	0.0	2.3	-2.3
3 or more adults- 2 married						
(0)	4.7	9.3	6.9	-2.2	2.4	-4.6
(1 or more)	2.3	6.0	4.2	-1.9	1.8	-3.7
Other Adults- 2 or more						
(0)	13.1	12.5	16.4	-3.3	-3.9	0.6
(1 or more)	2.3	3.6	2.1	0.2	1.5	-1.3
1 ADULT	55.8	41.2	45.5	10.3	-4.3	14.6
2 ADULTS	21.8	27.5	24.8	-3.0	2.7	-5.7
3 ADULTS	7.1	15.2	11.1	-4.0	4.1	-8.1
OTHER ADULTS	15.4	16.2	18.6	-3.2	-2.4	-0.8

Source: 1981 Census, Greater London County Report Part 1.  
Derived from table 39.

Note: number in brackets refers to number of children  
under 16 years of age.

In Greater London housing associations cater for more small households than local authorities do, and than are present in the total population. Indeed, the relationship bears a striking similarity with that demonstrated in England and Wales (see table 7.10). Westminster displays a similar relationship, but in Islington this difference is rather less pronounced.

## Appendix 6: Results of Inspection of Tenant Files

20% Sample; N=155

### 1. Date Tenancy Commenced

Association	CHA	WPHT	SL	Total
Date				
Pre 1965	0	0	1	1
1965	0	0	0	0
1966	0	0	1	1
1967	0	0	0	0
1968	0	1	0	1
1969	0	0	3	3
1970	0	0	3	3
1971	0	0	2	2
1972	0	0	5	5
1973	0	0	0	0
1974	0	0	5	5
1975	0	0	4	4
1976	0	0	2	2
1977	0	0	4	4
1978	17	1	1	19
1979	2	8	3	13
1980	3	15	3	21
1981	2	22	2	26
1982	1	19	2	22
1983	1	12	3	16
TOTAL	26	78	44	148

### 2. Route to Accommodation

Association	CHA	WPHT	SL	Total	Percent
Type of Tenant					
Acquired tenant	14	6	0	20	13.89
Selected tenant	3	24	17	44	30.56
Nominated tenant	5	27	1	33	22.92
Referred tenant	0	5	0	5	3.47
Decanted tenant	3	12	15	30	20.83
Transferred tenant	0	1	11	12	8.33
TOTAL	25	75	44	144	

### 3. Nominating Agency

Association	CHA	WPHT	SL	Total	Percent
Agency					
Local authority	4	27	1	32	84.21
Resident's association	1	0	0	1	2.63
Area health authority	0	2	0	2	5.26
CEGB	0	2	0	2	5.26
Age Concern	0	1	0	1	2.63

#### 4. Sex of Head of Household

Association	CHA	WPHT	SL	Total	Percent
Sex					
Male	11	37	28	76	50.67
Female	14	42	18	74	49.33
TOTAL	25	79	46	150	

#### 5. Age of Head of Household

Association	CHA	WPHT	SL	Total	Percent
Age					
18-34	4	25	8	37	29.13
35-44	1	10	10	21	16.54
45-59	1	13	11	25	19.69
60+	11	19	14	44	34.65
TOTAL	17	67	43	127	

#### 6. Size of Household

Association	CHA	WPHT	SL	Total	Percent
No. of persons					
1	19	42	15	76	51.35
2	5	21	16	42	28.38
3	0	10	4	14	9.46
4	1	0	6	7	4.73
5+	0	5	4	9	6.08
TOTAL	25	78	45	148	

#### 7. Employment Status

Association	CHA	WPHT	SL	Total	Percent
Status					
Employed	10	52	35	97	74.05
Unemployed	1	2	0	3	2.29
Retired	7	14	10	31	23.66
TOTAL	18	68	45	131	

#### 8. Previous Tenure

Association	CHA	WPHT	SL	Total	Percent
Tenure					
Private rented (acquired)	14	6	0	20	15.87
Private rented (other)	1	23	5	29	23.02
Housing association (decant)	3	13	15	31	24.60
Housing association (other)	0	0	16	16	12.70
Local authority	0	8	1	9	7.14
Owner occupier	1	0	0	1	0.79
Tied	0	2	0	2	1.59
Sharing (family/friends)	0	13	5	18	14.29
TOTAL	19	65	42	126	



# 9. Number of Rooms in Current Accommodation

Association	CHA	WPHT	SL	Total	Percent
Number					
1	0	0	0	0	0.00
2	11	19	17	47	48.45
3	4	11	16	31	31.96
4+	2	7	10	19	19.59
TOTAL	17	37	43	97	

# 10. Income of Tenants

## Community Housing Association

Insufficient information

## World of People Housing Trust

Year	1983	1982	1981	1980	1979	1978	1977	1976
Income (pw-net)								
<£50	1	2	3	2	1	0	0	0
£50-£99.99	2	5	8	5	1	0	0	0
£100-£149.99	0	3	2	1	0	0	0	0
£150-£199.99	0	2	0	0	0	0	0	0
£200+	1	0	0	0	0	0	0	0
TOTAL	4	12	13	8	2	0	0	0

## Samuel Lewis Housing Trust

Year	1983	1982	1981	1980	1979	1978	1977	1976
Income (pw-net)								
<£50	0	1	1	1	1	0	1	1
£50-£99.99	1	0	1	0	0	0	1	0
£100-£149.99	0	0	0	0	0	0	0	0
£150-£199.99	0	0	0	0	0	0	0	0
£200+	0	0	0	0	0	0	0	0
TOTAL	1	1	2	1	1	0	2	1

## Total

Year	1983	1982	1981	1980	1979	1978	1977	1976
Income (pw-net)								
<£50	1	3	4	3	2	0	1	1
£50-£99.99	3	5	9	5	1	0	1	0
£100-£149.99	0	3	2	1	0	0	0	0
£150-£199.99	0	2	0	0	0	0	0	0
£200+	1	0	0	0	0	0	0	0
TOTAL	5	13	15	9	3	0	2	1

11. Rent Level on Departing Previous Accommodation

Community Housing Association

Insufficient information

World of People Housing Trust

Year	1983	1982	1981	1980	1979	1978	1977	1976
Rent (pw) (exc/inc)								
<£10	0/0	0/0	2/3	0/2	1/1	0/0	0/0	0/0
£10-£19.99	0/0	1/1	1/4	2/0	0/0	0/0	0/0	0/0
£20-£29.99	0/0	1/0	1/0	1/0	0/0	0/0	0/0	0/0
£30-£34.99	0/1	1/0	0/0	0/1	0/0	0/0	0/0	0/0
£35-£39.99	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0
£40-£49.99	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0
£50+	1/1	0/0	0/0	0/0	0/0	0/0	0/0	0/0
TOTAL	1/2	3/1	4/7	3/3	1/1	0/0	0/0	0/0

Samuel Lewis Housing Trust

Year	1983	1982	1981	1980	1979	1978	1977	1976
Rent (pw) (exc/inc)								
<£10	1/0	0/0	0/0	0/0	3/0	0/0	3/0	2/0
£10-£19.99	0/0	0/0	0/0	0/1	0/0	0/0	0/0	0/0
£20-£29.99	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0
£30-£34.99	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0
£35-£39.99	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0
£40-£49.99	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0
£50+	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0
TOTAL	1/0	0/0	0/0	0/1	3/0	0/0	3/0	2/0

(Six entries pre-1976 not coded)

Total

Year	1983	1982	1981	1980	1979	1978	1977	1976
Rent (pw) (exc/inc)								
<£10	1/0	0/0	2/3	0/2	4/1	0/0	3/0	2/0
£10-£19.99	0/0	1/1	1/4	2/1	0/0	0/0	0/0	0/0
£20-£29.99	0/0	1/0	1/0	1/0	0/0	0/0	0/0	0/0
£30-£34.99	0/1	1/0	0/0	0/1	0/0	0/0	0/0	0/0
£35-£39.99	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0
£40-£49.99	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0
£50+	1/1	0/0	0/0	0/0	0/0	0/0	0/0	0/0
TOTAL	2/2	3/1	4/7	3/4	4/1	0/0	3/0	2/0

## 12. Rent on Becoming Housing Association Tenant

### Community Housing Association

Year	1983	1982	1981	1980	1979	1978	1977	1976
Rent (pw) (exc/inc)								
<£10	0/0	0/0	0/0	0/0	0/0	1/0	0/0	0/0
£10-£19.99	0/0	0/0	0/0	0/0	0/0	1/3	0/0	0/0
£20-£29.99	0/0	1/0	0/0	0/0	0/0	2/3	0/0	0/0
£30-£34.99	0/0	0/0	0/0	0/0	0/0	5/4	0/0	0/0
£35-£39.99	0/0	0/0	1/1	0/0	0/0	1/2	0/0	0/0
£40-£49.99	0/0	0/0	0/0	0/0	0/0	1/2	0/0	0/0
£50+	0/1	0/0	0/1	0/2	0/2	0/0	0/0	0/0
TOTAL	0/1	1/0	1/2	0/2	0/2	11/14	0/0	0/0

### World of People Housing Trust

Year	1983	1982	1981	1980	1979	1978	1977	1976
Rent (pw) (exc/inc)								
<£10	0/5	0/0	1/0	2/0	0/0	0/0	0/0	0/0
£10-£19.99	1/2	7/0	19/0	11/0	8/1	0/0	0/0	0/0
£20-£29.99	1/0	12/0	3/0	1/0	0/0	0/0	0/0	0/0
£30-£34.99	3/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0
£35-£39.99	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0
£40-£49.99	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0
£50+	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0
TOTAL	5/7	19/0	23/0	14/0	8/1	0/0	0/0	0/0

### Samuel Lewis Housing Trust

Year	1983	1982	1981	1980	1979	1978	1977	1976
Rent (pw) (exc/inc)								
<£10	1/0	1/0	1/1	2/0	3/0	1/0	2/0	1/0
£10-£19.99	1/2	0/0	0/0	0/0	0/0	0/0	0/0	0/0
£20-£29.99	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0
£30-£34.99	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0
£35-£39.99	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0
£40-£49.99	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0
£50+	0/0	0/0	0/0	0/0	0/0	0/0	0/0	0/0
TOTAL	2/2	1/0	1/1	2/0	3/0	1/0	2/0	1/0

(Ten entries pre-1976 not coded)

Total

Year	1983	1982	1981	1980	1979	1978	1977	1976
Rent (pw) (exc/inc)								
<£10	1/5	1/0	2/1	4/0	3/0	2/0	2/0	1/0
£10-£19.99	2/4	7/0	19/0	11/0	8/1	1/3	0/0	0/0
£20-£29.99	1/0	13/0	3/0	1/0	0/0	2/3	0/0	0/0
£30-£34.99	3/0	0/0	0/0	0/0	0/0	5/4	0/0	0/0
£35-£39.99	0/0	0/0	1/1	0/0	0/0	1/2	0/0	0/0
£40-£49.99	0/0	0/0	0/0	0/0	0/0	1/2	0/0	0/0
£50+	0/1	0/0	0/1	0/2	0/2	0/0	0/0	0/0
TOTAL	7/10	21/0	25/3	16/2	11/3	12/14	2/0	1/0

Appendix 7: Socio-economic profile, by tenure,  
in Kensington and Chelsea (1981).

Tenure	All [1]	HA [2]	LA [1]	OO [1]	PRU [1]	HA-LA	HA-OO	HA-PRU
Socio-economic group								
1	5.90	1.57	0.76	10.51	4.36	0.81	-8.94	-2.79
2	11.98	3.70	4.58	18.97	13.64	-0.88	-15.72	-9.94
3	2.58	0.14	0.13	6.19	1.80	0.01	-6.05	-1.66
4	4.60	1.28	0.64	7.61	2.96	0.64	-6.33	-1.68
5.1	10.75	7.26	5.34	14.03	10.94	1.92	-6.77	-3.68
5.2	0.70	1.14	0.76	0.34	1.16	0.38	0.80	-0.02
6	15.38	14.67	12.60	11.64	16.60	2.07	3.03	-1.93
7	6.47	6.41	10.56	1.76	4.25	-4.15	4.65	2.16
8	0.96	2.56	1.40	0.28	0.51	1.16	2.28	2.05
9	4.88	11.40	11.96	1.14	3.86	-0.56	10.26	7.54
10	5.33	10.26	11.07	1.08	3.86	-0.81	9.18	6.40
11	3.39	6.84	9.80	0.23	1.29	-2.96	6.61	5.55
12	3.67	3.56	3.44	3.69	4.89	0.12	-0.13	-1.33
13	0.05	0.00	0.00	0.11	0.13	0.00	-0.11	-0.13
14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15	0.04	0.14	0.00	0.06	0.00	0.14	0.08	0.14
16	0.36	0.00	0.00	0.62	0.39	0.00	-0.62	-0.39
17	3.44	4.56	2.93	3.07	3.60	1.63	1.49	0.96
R/A	4.58	5.13	7.89	4.52	6.18	-2.76	0.61	-1.05
R/I	14.69	19.37	16.16	14.14	19.56	3.21	5.23	-0.19
Total	100	100	100	100	100			
Grouped socio-economic group								
1 P	7.18	1.42	0.77	13.80	4.76	0.65	-12.38	-3.34
2 M	17.93	5.27	5.34	29.59	18.15	-0.07	-24.32	-12.88
3 IJNM	26.83	23.08	18.70	26.01	28.70	4.38	-2.93	-5.62
4 SM	9.51	17.52	16.80	5.11	9.27	0.72	12.41	8.25
5 SSM	11.84	16.81	21.63	2.90	8.11	-4.82	13.91	8.70
6 USM	3.39	6.84	9.80	0.23	1.29	-2.96	6.61	5.55
Other	3.80	4.56	2.93	3.69	3.99	1.63	0.87	0.57
Retired	19.54	24.50	24.05	18.68	25.74	0.45	5.82	-1.24
Total	100	100	100	100	100			

Source: [1] 1981 Census, Greater London County Report, Part 2. Derived from table 47.

[2] 1981 Census, special tabulation from Greater London County Report, Part 2 (derivation).

Note: R/A indicates retired head in household with an active member.

R/I indicates retired head in household with no active member.

This table shows that association tenants are drawn from higher socio-economic groups than local authority tenants. This relationship is not as pronounced as in Islington and Westminster; indeed, in this borough local authorities house more managerial tenants than housing associations house. Housing association tenants are drawn from lower socio-economic groups than owner occupiers, and higher socio-economic groups than privately rented tenants. The absolute differences between the tenures is significant:

HA/LA	15.68
HA/OO	79.25
HA/PRU	46.15

At just under 16%, associations tenants are more like municipal tenants in Kensington and Chelsea than in either of the study boroughs. Furthermore, at 79%, associations tenants are more unlike owner occupiers than in either of the study boroughs. It is evident that in this borough associations are nearer to 'duplicating', or 'supplementing' the work of local authorities, than they are to 'complementing' their work.



Appendix 8: Grouped socio-economic profile, by tenure,  
in England and Wales (1981).

Tenure	All	HA	LA	OO	PRU	HA-LA	HA-OO	HA-PRU
Grouped socio-economic group								
1 P	5.04	2.28	0.67	7.18	2.14	1.61	-4.90	0.14
2 M	15.73	8.18	4.45	21.16	11.32	3.73	-12.98	-3.14
3 IJNM	19.76	23.64	11.28	23.02	18.94	12.36	0.62	4.70
4 SM	30.81	27.09	36.51	29.78	29.19	-9.42	-2.69	-2.10
5 SSM	15.92	19.16	25.36	11.04	18.60	-6.20	8.12	0.56
6 USM	5.14	6.57	10.88	2.64	6.27	-4.31	3.93	0.30
Other	7.61	13.09	10.86	5.18	13.53	2.23	7.91	-0.44
Total	100	100	100	100	100			

Source: 1981 Census, Household and Family Composition.  
Derived from table 16.

The relationships between tenures revealed in this table corresponds closely with the relationship between tenures in Islington and Westminster (see table 8.17, chapter 8). Association tenants are skewed towards higher socio-economic groups in comparison to municipal tenants, and lower socio-economic groups in comparison to owner occupiers. There is no clear relationship between association tenants and privately rented tenants in this respect. The tendency for owner occupation to accommodate high socio-economic groups and local authorities to accommodate low socio-economic groups is clearly demonstrated. Owner occupation has the highest proportion of household heads in the professional and managerial groups. Associations have the highest proportion in the intermediate and junior non-manual group (although almost as many owner occupiers are in this group). Local authorities have the highest proportion of household heads in the lowest three groups. Indeed, nearly three quarters of local authority household heads are in the lowest three socio-economic groups, whilst only 53% of association tenants are, and a mere 43% of owner occupiers are.

The absolute differences reveal that, in England and Wales as a whole, association tenants are most like privately rented tenants, and least like owner occupiers:

HA/LA	39.86
HA/OO	41.15
HA/PRU	11.38

This is different from the situation in Islington and Westminster (see table 8.17), where the distribution of association household heads differed least from the distribution of local authority household heads. The fact that table 8.17 contains a grouped category for the retired does not alter the relationship between the absolute differences in that table, although it does make comparison of the actual figures in table 8.17 with those in this appendix difficult.

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